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Table of Contents

301 *U.S. INTERNATIONAL TRANSACTIONS IN 1999*

The U.S. current account deficit increased substantially in 1999 as the balances on goods and services, investment income, and unilateral transfers all became more negative. The remarkable strength of the U.S. economy contributed significantly to a marked decrease in the balance on goods and services; to a lesser extent, previous declines in U.S. price competitiveness also played a role. The balance on investment income decreased because of the additional net income payments on the growing U.S. external indebtedness. In 2000, domestic spending may well continue to outstrip domestic production and increase the current account deficit. But adjustments that should slow the process are also at work.

315 *INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION FOR MARCH 2000*

Industrial production increased 0.3 percent in March, to 142.0 percent of its 1992 average, after having increased an average of $\frac{1}{2}$ percent in the previous three months. The rate of capacity utilization for total industry edged down in March to 81.4 percent, a level about $\frac{1}{2}$ percentage point below its 1967–99 average.

318 *STATEMENTS TO THE CONGRESS*

Alan Greenspan, Chairman, Board of Governors, discusses the options available for placing social security and Medicare on a firmer fiscal footing and states that increasing our national saving is essential to any successful reform of social security or Medicare; he testifies further that the most important decision facing policymakers today is not about the *distribution* of future resources but about the *level* of future resources available for future workers and retirees and that the most effective means of raising the level of future resources is to allow the budget surpluses projected in the coming years

to be used to pay down the nation's debt (Testimony before the Senate Special Committee on Aging, March 27, 2000).

320 Louise L. Roseman, Director, Division of Reserve Bank Operations and Payment Systems, comments on a variety of issues that affect our nation's coins and currency, in particular the advantages and disadvantages of issuing U.S. bank notes in denominations higher than \$100; she testifies that the law enforcement community has expressed concern about the disproportionate use of large-denomination bank notes for illicit activity, including money laundering, drug trafficking, and tax evasion, and that in weighing the marginal benefits of introducing a high-denomination U.S. bank note against law enforcement concerns, there does not seem to be any immediate need to issue high-denomination notes (Testimony before the Subcommittee on Domestic and International Monetary Policy of the House Committee on Banking and Financial Services, March 28, 2000).

324 *ANNOUNCEMENTS*

Action by the Federal Open Market Committee and an increase in the discount rate.

Revisions to the official staff commentary on Regulation Z.

Amendments to the interim rule regarding procedures for electing to be treated as a financial holding company.

Interim rule listing financial activities that will be permissible for financial holding companies.

Interim rule permitting qualifying state member banks to establish financial subsidiaries.

Interim rule on operating standards for financial holding companies that have securities affiliates.

Elections to be treated as financial holding companies.

Interim rule governing the merchant banking activities of financial holding companies.

Interim rule on an alternative to the debt rating requirement for establishing financial subsidiaries.

Issuance of host state loan-to-deposit ratios to determine compliance with section 109 of the Interstate Act (Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994).

Enforcement actions and terminations of previous actions.

Publication of a new edition of *Guide to the Flow of Funds Accounts*.

328 *MINUTES OF THE FEDERAL OPEN MARKET COMMITTEE MEETING HELD ON FEBRUARY 1–2, 2000*

At this meeting, the Committee voted to approve without change the growth ranges for M2, M3, and debt for 2000 that it had established on a tentative basis on June 30, 1999. For the intermeeting period ahead, the Committee voted to tighten reserve conditions by a modest amount consistent with an increase in the federal funds rate of $\frac{1}{4}$ percentage point to a level of $5\frac{3}{4}$ percent.

339 *LEGAL DEVELOPMENTS*

Various bank holding company, bank service corporation, and bank merger orders; and pending cases.

353 *DIRECTORS OF THE FEDERAL RESERVE BANKS AND BRANCHES*

List of Directors, by Federal Reserve District.

A1 *FINANCIAL AND BUSINESS STATISTICS*

These tables reflect data available as of March 29, 2000.

A3 *GUIDE TO TABULAR PRESENTATION*

A4 Domestic Financial Statistics

A42 Domestic Nonfinancial Statistics

A50 International Statistics

A63 *GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES*

A76 *INDEX TO STATISTICAL TABLES*

A78 *BOARD OF GOVERNORS AND STAFF*

A80 *FEDERAL OPEN MARKET COMMITTEE AND STAFF; ADVISORY COUNCILS*

A82 *FEDERAL RESERVE BOARD PUBLICATIONS*

A84 *MAPS OF THE FEDERAL RESERVE SYSTEM*

A86 *FEDERAL RESERVE BANKS, BRANCHES, AND OFFICES*

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U.S. International Transactions in 1999

Francis E. Warnock, of the Board's Division of International Finance, prepared this article. Nancy E. Baer provided research assistance.

The U.S. current account deficit increased substantially in 1999 as the balances on goods and services, investment income, and unilateral transfers all became more negative. The remarkable strength of the U.S. economy contributed significantly to a marked decrease in the balance on goods and services; to a lesser extent, previous declines in U.S. price competitiveness also played a role. The balance on investment income decreased because of the additional net income payments on the growing U.S. external indebtedness.

Most of the widening of the current account deficit in 1999 was due to the large and growing gap between U.S. imports and U.S. exports of goods (table 1). Exports increased as foreign economies rebounded sharply after a weak performance in 1998, but imports increased even more, primarily because of the greater strength of the U.S. economy. The dollar did not strengthen further in 1999, but the continued effect of its sharp appreciation in 1997 and 1998 increased imports and reduced exports. A reduced surplus in trade of services and an increased deficit in unilateral transfers added to the growth of the deficit. The balance on investment income—

which moved into deficit in 1998 for the first time since 1914—became even more negative, mainly because of a large decline in net portfolio income.

The current account deficit reached 3.7 percent of U.S. gross domestic product (GDP) last year, surpassing the previous record set in 1987. This deficit and the continued U.S. investment abroad were more than financed by huge foreign acquisitions of U.S. assets. A record amount of private foreign investment poured into the United States; moreover, substantial foreign official inflows resumed after the Asian and Russian financial crises of 1997 and 1998.

MAJOR ECONOMIC INFLUENCES ON U.S. INTERNATIONAL TRANSACTIONS

Several factors shaped the U.S. current and financial accounts in 1999.¹ The most important of these were

1. To conform with international conventions, U.S. international transactions are now presented in three groups—a current account, a capital account, and a financial account. Previously, transactions were presented in two groups—a current account and a capital account. The new financial account is the same as the previous capital account. The new capital account consists of a small part of unilateral transfers that were previously in the current account. More details may be found in Christopher L. Bach, "U.S. International Transactions, Revised Estimates for 1982–98," *Survey of Current Business*, vol. 79 (July 1999), pp. 60–72.

1. U.S. international transactions, 1995–99
Billions of dollars except as noted

Item	1995	1996	1997	1998	1999	Change, 1998 to 1999
Trade in goods and services, net	-98	-104	-105	-164	-268	-103
Goods, net	-174	-191	-197	-247	-347	-100
Services, net	76	87	92	83	80	-3
Investment income, net	24	22	8	-7	-19	-12
Unilateral current transfers, net	-35	-42	-42	-44	-47	-3
Current account balance	-114	-129	-143	-221	-339	-118
Official capital, net	99	133	17	-29	53	82
Private capital, net	38	61	269	239	325	87
Financial account balance	137	194	286	210	378	168
Capital account balance	0	1	0	1	0	-1
Statistical discrepancy	-24	-65	-143	10	-39	-49
MEMO						
Current account as percentage of GDP	-1.5	-1.7	-1.7	-2.5	-3.7	...

NOTE. In this and the tables that follow, components may not sum to totals because of rounding.
... Not applicable.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

the recovery of foreign economic activity after the crises of 1997 and 1998, a rebound in the prices of primary commodities, the continued strong performance of the U.S. economy, and the lingering effects of a strong dollar on the price competitiveness of U.S. goods.

Foreign Economic Activity

After a year and a half of financial crises and depressed growth, foreign economies rebounded remarkably quickly in 1999. Foreign economic growth, at a robust 4.3 percent on average for the year, showed a sharp improvement over the 0.8 percent growth in 1998 (table 2). In 1999, the pace of activity increased in developing countries, with Asian emerging-market economies in particular bouncing back strongly from output declines of the previous year. Activity also recovered in Latin America, with especially strong growth in Mexico but a more mixed performance in other countries. Real growth improved in all of the major industrial countries as well. Growth in Canada was particularly strong. Economic activity in Japan remained weak but was stronger than in 1998.

The year started with concerns that the financial crises of 1997 and 1998 would continue to spread. With the effects of the August 1998 collapse of the ruble and the default on Russian government debt still reverberating, Brazil experienced pressure on its

currency, the *real*, and abandoned its currency peg in January. Once allowed to float, the *real* soon fell nearly 50 percent against the dollar, generating fears of a depreciation-inflation spiral that could return Brazil to its high-inflation past and renewing financial strains in other Latin American economies. By spring, the Brazilian central bank's commitment to fighting inflation led to sharply higher interest rates and buoyed investor confidence. In time, financial markets stabilized in the region, but the combination of high interest rates and diminished access to international capital markets tended to damp economic activity in much of Latin America. An exception was Mexico, where economic activity, raised by strong growth of exports to the United States and rising oil prices, increased more than 5 percent for the year.

The recovery of activity last year was sharper and more widespread in Asian developing countries than in Latin America, just as the downturn had been the previous year. A combination of accommodative monetary policies, a shift toward fiscal stimulus, and an ongoing boost to net exports provided by previous sharp currency depreciations and the boom in the global electronics market spurred economic growth. Korea's recovery was the most robust, with growth of 14 percent in 1999 after a decline of 6 percent the previous year. However, significant weaknesses remained in Asia, as evidenced by the recent near collapse of Daewoo, Korea's second largest conglomerate, and by continuing problems in financial sectors.

2. Change in real GDP in the United States and abroad, 1996–99

Percentage change, annual rate

Country	1996	1997	1998	1999	Half years				
					1997:H2	1998:H1	1998:H2	1999:H1	1999:H2
United States	4.1	4.1	4.7	4.6	3.4	4.5	4.9	2.8	6.5
Total foreign ¹	4.3	4.1	.8	4.3	3.6	.4	1.2	4.5	4.2
Asian emerging markets ² ..	7.0	4.7	-1.9	8.2	2.3	-6.1	2.4	9.2	7.3
Thailand	3.8	-5.1	-7.2	6.8	-10.4	-16.2	2.9	3.2	10.6
Korea	6.8	3.7	-5.5	14.0	.7	-15.8	6.1	15.2	12.8
Malaysia	9.6	5.7	-10.3	10.6	3.2	-12.8	-7.7	17.5	4.1
Indonesia	10.2	1.1	-17.7	6.0	3.2	-29.3	-4.2	11.5	.8
Hong Kong	5.5	2.2	-5.8	8.6	-2.4	-8.1	-3.4	5.7	11.7
China	9.2	8.2	9.5	6.2	6.9	6.7	12.4	1.7	11.0
Latin America ³	6.3	6.1	1.0	3.7	6.2	3.3	-1.3	2.8	4.6
Mexico	7.1	6.7	2.6	5.2	6.8	4.0	1.3	5.0	5.5
Brazil	5.5	2.2	-1.6	3.2	1.9	2.4	-5.4	3.6	2.9
Argentina	9.3	7.8	-6	.1	8.0	5.4	-6.3	-3.5	3.8
Venezuela .....	.6	6.7	-5.0	-4.6	2.8	.6	-10.2	-7.7	-1.3
Japan	5.2	-5	-3.1	.0	.6	-2.7	-3.4	5.1	-4.7
Canada	2.4	4.4	2.8	4.7	4.5	1.9	3.7	4.3	5.0
Western Europe	2.2	3.6	1.7	3.2	3.5	2.4	1.1	2.8	3.5

NOTE. Aggregate measures are weighted by moving bilateral shares in U.S. exports of nonagricultural merchandise. Annual data are four-quarter changes. Half-yearly data are calculated as Q4/Q2 or Q2/Q4 changes at an annual rate.

1. Selected regions and countries are shown below.

2. Weighted average of China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

3. Weighted average of Mexico, Argentina, Brazil, Chile, Colombia, and Venezuela.

SOURCE. Various national sources.

Economic activity accelerated in nearly all of the major industrial countries. In Europe, the process was aided by decreases in official interest rates early in the year and by the global recovery, which stimulated external demand. In Canada, real growth rose sharply, as strong external demand from the United States and a recovery in commodity prices contributed to large income and employment gains. After two consecutive years of decline, Japanese real GDP was flat; fiscal stimulus in the first half of the year supported growth, but private consumption remained weak.

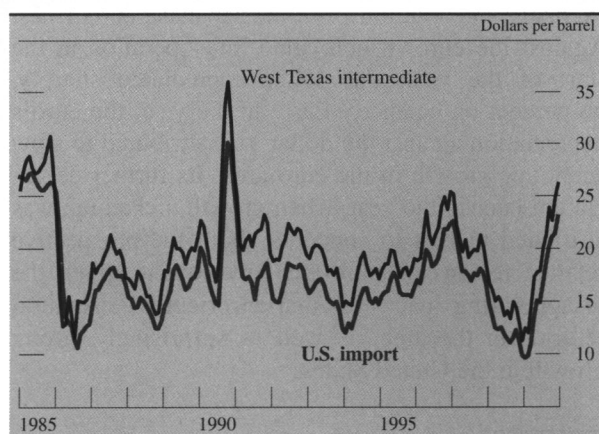
Prices of Primary Commodities

After falling sharply in 1997 and 1998, prices of primary commodities firmed in 1999 in response to stronger demand and reduced supply. Primary commodity prices, which helped mute consumer price inflation in the United States while they fell in 1997 and 1998, began to put upward pressure on U.S. prices in 1999.

Oil Prices

The precipitous decline in the price of oil in 1997 and 1998—caused by weak global economic activity and a strong increase in oil production—was more than fully reversed in 1999. The average spot price for West Texas intermediate, the U.S. benchmark crude, rose steadily to reach \$25 per barrel by the end of the year (chart 1). Strengthened world demand and constrained world supply drove the rebound in oil prices. Not surprisingly, the strong U.S. economy, combined with a recovery of economic activity abroad, led to an increase of 1 percent in world oil consumption.

1. Oil prices, 1985–99



NOTE. The data are monthly.

SOURCE. *Wall Street Journal* and the U.S. Department of Commerce, Bureau of Economic Analysis.

Perhaps more surprising was the 2 percent decline in world oil production, attributable primarily to the reduction in supply from the Organization of Petroleum Exporting Countries (OPEC) and other key producers. In March 1999, OPEC agreed to reduce crude oil production; non-OPEC Mexico, Russia, Oman, and Norway also pledged reductions. The consistently high level of compliance with the March accord stands in contrast to the widespread noncompliance that characterized earlier agreements. A new, pro-OPEC political administration in Venezuela and increased cooperation between Iran and Saudi Arabia helped maintain the agreement.

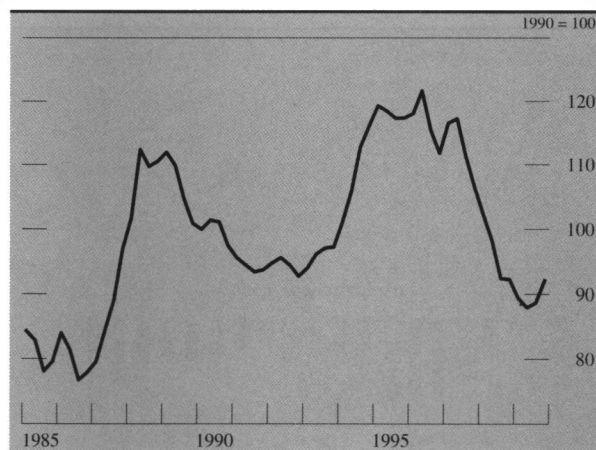
Prices of Non-Oil Primary Commodities

After falling about 20 percent over the previous two years, prices of world primary commodities other than oil appeared to bottom out in 1999 (chart 2). From the end of 1997 through 1998, weak global demand, combined with a large increase in supply in response to the high prices of the mid-1990s (especially for agricultural commodities such as grains, oilseeds, and coffee), put severe pressure on commodity prices. Prices fell 5 percent more in the first half of 1999, but reduced supplies and the recovery in global economic activity reversed this decline in the second half of the year, and prices ended the year about where they began.

U.S. Economic Activity

U.S. economic performance remained extraordinary in 1999, as the rise in real GDP exceeded 4 percent

2. Prices of world non-oil primary commodities, 1985–99



NOTE. The data are quarterly.

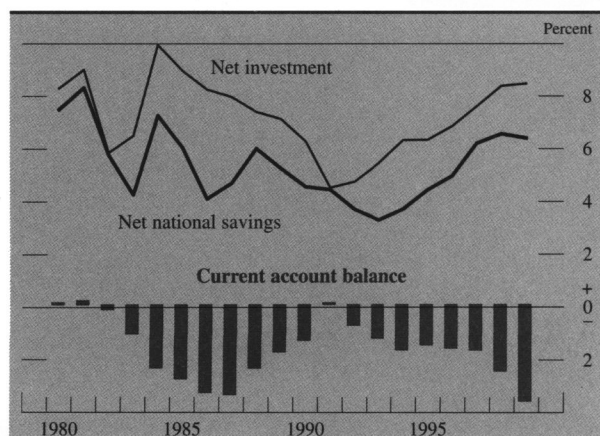
SOURCE. International Monetary Fund, *International Financial Statistics*, index of non-oil commodity prices.

for the fourth year in a row (table 2). Growth in household expenditures, which was exceptionally rapid for the second straight year, was bolstered by further substantial gains in real income, favorable borrowing conditions, and a rising stock market. Seeking to maintain their competitiveness and profitability, businesses continued to invest heavily in high-tech equipment. The annual increase in government spending, on both investment and consumption, was the largest of the current expansion. In all, domestic demand continued to surge ahead faster than domestic production, even as the latter was being boosted by strong gains in productivity; the result was a large trade deficit. The gains in productivity, along with considerable though shrinking slack in economies abroad, helped contain inflation despite strong domestic demand and tight labor markets.

A key element in the vigorous expansion has been the boom in capital investment by the private sector. Looking at the sources of financing for this investment offers one perspective on the U.S. trade and current account deficits. As an accounting identity, investment must be financed out of a combination of national savings and savings from abroad. National savings consist of private savings and government savings. Government savings are the opposite of the fiscal deficit, whereas private savings consist of both household savings (that part of after-tax income not spent on consumption) and corporate savings (broadly, retained earnings). Savings from abroad are net foreign investment in the United States, which corresponds to the current account deficit less net exports of gold and certain other transactions.

Chart 3 shows the role that foreign savings has played in financing investment in the United States.

3. U.S. investment, savings, and current account balance as a percentage of GDP, 1980–99



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts, and U.S. international transaction accounts.

In the mid-1980s, the strong increase in foreign savings cushioned U.S. investment from the full impact of a sharp fall in national savings. In the late 1980s, foreign savings dropped as investment fell more quickly than national savings. In the early part of the current expansion, national savings increased, as the swing from the large budgetary deficits of the early 1990s to the budget surpluses of recent years enabled the increase in government savings to outpace the fall in private savings. However, in the past two years, national savings have leveled off: Private savings have continued to fall, and an increase in government spending has slowed the increase in government savings. As in the mid-1980s, this leveling-off has not dragged down investment because the decline in national savings has been offset by an increase in foreign savings—that is, U.S. investment prospects have attracted huge capital inflows.

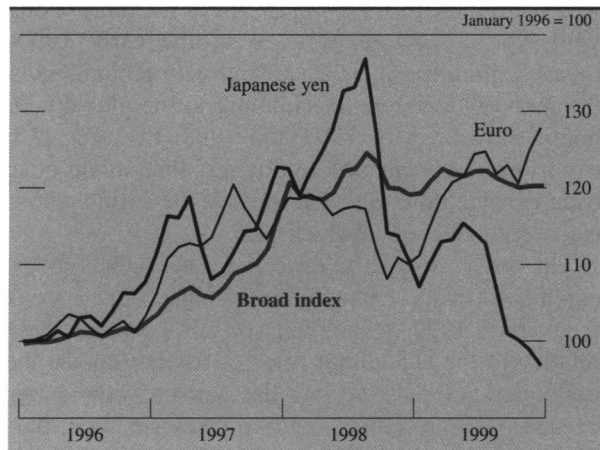
Exchange Value of the Dollar

The dollar's exchange value, measured on a trade-weighted basis against a broad range of trading partners, rose about 6 percent in the first half of the year and then fell a like amount to end the year about unchanged (chart 4). On the heels of its sharp appreciation over the previous few years, which reflected the financial crises that afflicted many developing countries, the dollar remains at a high level.

Though over the year the dollar's aggregate value was little changed, its movements against two major currencies diverged. For the second straight year, the dollar depreciated 10 percent against the Japanese yen. The yen's appreciation in 1999 coincided with a hint of economic recovery in Japan and reports of large inflows of foreign capital into the Japanese stock market, and it prompted official foreign exchange intervention from the Japanese authorities. Against the euro, which came into operation at the start of the year, the dollar appreciated sharply, 16 percent on balance.² Early in the year, the euro's depreciation against the dollar was attributed to slow economic growth in the euro area. Its further depreciation later in the year, when growth picked up, was attributed in part to concerns about the prospective relative returns on euro-area investment, given the disappointing pace of market-oriented structural reforms in the area, as well as surprisingly strong growth in the United States.

2. For more information about the euro, see Carol C. Bertaut and Murat F. Iyigun, "The Launch of the Euro," *Federal Reserve Bulletin*, vol. 85 (October 1999), pp. 655–66.

4. Foreign exchange value of the U.S. dollar, 1996–99



NOTE. The broad index included thirty-five currencies until the beginning of stage three of European Economic and Monetary Union on January 1, 1999, when the euro replaced the ten euro-area currencies; the broad index now has twenty-six currencies. Currencies of all foreign countries or regions that had a share of U.S. non-oil imports or nonagricultural exports of at least ½ percent in 1997 are included in the broad index. The data for the euro use the restated German mark before January 1999. The data are monthly.

The dollar fell slightly against the Mexican peso and the Canadian dollar, the currencies of two important U.S. trading partners, and rose markedly against South American currencies, mainly because of the

sharp depreciation of the Brazilian *real* in early 1999. The dollar's value against currencies of Asian emerging-market economies was on average steady, but it remains at a high level after the jump that coincided with the large depreciations of those currencies in 1997.

DEVELOPMENTS IN U.S. TRADE IN GOODS AND SERVICES

The overall U.S. trade deficit was substantially larger in 1999 than in 1998 (table 3). The nominal trade deficit for goods and services increased \$103 billion, to \$268 billion, in 1999, as exports expanded less rapidly than imports. Although strong GDP growth in key foreign markets boosted the demand for U.S. goods, the decline in price competitiveness of U.S. goods in 1997 and 1998 continued to damp the growth of exports. The strong growth of imports in 1999 reflected the strength of U.S. economic activity and the past real appreciation of the dollar, which made imports inexpensive relative to domestic goods. Relatively inexpensive imports, coupled with the growing trade deficit, led to worsening trade tensions but to no substantial shift in U.S. trade policy.

3. U.S. international trade in goods and services, 1996–99

Billions of dollars except as noted

Item	1996	1997	1998	1999	Dollar change, 1998 to 1999	Percentage change, 1998 to 1999
Balance on goods and services	-104	-105	-164	-268	-103	...
Exports of goods and services	850	939	934	960	26	2.8
Services	238	259	264	277	13	5.1
Goods	612	680	670	683	13	1.9
Agricultural products	61	58	53	49	-4	-6.9
Nonagricultural goods	551	621	617	634	16	2.7
Capital goods	253	296	300	311	10	3.5
Aircraft and parts	31	41	54	53	-1	-1.1
Computers, peripherals, and parts	44	49	45	47	1	2.9
Semiconductors	36	39	38	47	9	24.5
Other machinery and equipment	143	166	164	164	0	.3
Industrial supplies	138	148	138	139	1	.5
Automotive products	65	74	73	75	2	2.1
Consumer goods	70	77	79	81	1	1.7
Other nonagricultural exports	25	27	26	29	3	11.5
Imports of goods and services	954	1,043	1,098	1,228	130	11.8
Services	151	167	181	197	16	9.1
Goods	803	876	917	1,030	113	12.3
Oil	73	72	51	68	17	33.1
Non-oil goods	731	805	866	962	96	11.1
Capital goods	228	253	270	297	27	10.1
Aircraft and parts	13	17	22	23	2	7.1
Computers, peripherals, and parts	62	70	72	81	9	12.4
Semiconductors	37	37	33	38	4	12.6
Other machinery and equipment	117	130	142	154	13	8.9
Industrial supplies	137	146	152	157	4	2.9
Automotive products	129	140	149	180	30	20.4
Consumer goods	172	194	217	240	23	10.7
Food and other goods	65	72	79	90	11	13.8

... Not applicable.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

Proximate Determinants of Trade in Goods and Services

The savings–investment balance, discussed earlier, provides useful insights for understanding current account imbalances. However, as an accounting identity, it does not explain the forces that are driving the current account deficit. It is useful, therefore, to look at the proximate determinants of trade flows: U.S. GDP growth, foreign GDP growth, and the price competitiveness of U.S. goods (see box).

There are close historical associations between U.S. real imports and U.S. real GDP and between U.S. real exports and foreign real GDP, as well as between the price competitiveness of U.S. goods and the overall trade deficit (chart 5).³ As growth in U.S. real GDP slowed late in the previous expansion, so did growth in U.S. imports (chart 5, top panel). In the current expansion, growth of U.S. imports has picked up. Similarly, U.S. export growth has broadly mirrored foreign real GDP growth. U.S. export growth—strong

in the late 1980s, when foreign economic activity was particularly robust—slowed considerably along with world economic growth in the early 1990s (chart 5, middle panel). Export growth rebounded in the mid-1990s before succumbing to the global economic slowdown of 1997 and 1998. In 1999, U.S. export growth increased, but by less than might have been expected if one looked only at the strong recovery in foreign economic activity.

The price competitiveness of U.S. goods helps explain why U.S. export growth staged only a weak recovery in 1999. When prices of U.S. goods increase relative to the U.S. dollar price of foreign goods, the trade deficit tends to increase, albeit with a lag, because U.S. residents tend to increase their purchases of the relatively less expensive foreign goods while foreigners cut back their purchases of the relatively expensive U.S. goods. The large trade deficits of the mid-1980s came on the heels of a sharp increase in the relative price of U.S. goods, just as the marked improvement in the trade balance in the late 1980s coincided with a sharp decrease in relative prices (chart 5, bottom panel). Over 1997 and 1998, the real exchange value of the dollar appreciated 15 percent, and the trade deficit increased sharply

3. In each panel of chart 5, the variable represented by the black line is a key proximate determinant of the variable represented by the red line.

Measuring the Proximate Determinants of Trade Flows

Demand for any product is determined by, among other things, income and relative prices. In international comparisons, GDP is often considered a suitable proxy for income, and the real exchange rate is used as a measure of relative prices. These comparisons entail a great number of countries. To summarize this information, indexes are created. Because an index is one number, the weighting or aggregation scheme is particularly important.

For the trade balance (the bottom panel of chart 5), relative prices are measured by a real exchange rate index that combines a relative export price index with a relative import price index. In a U.S. export price index—an index that captures the price competitiveness of U.S. goods in foreign markets—the weight of a country's exchange-rate-adjusted prices takes into account the degree to which its goods compete with U.S. goods directly in its market and indirectly in other foreign markets. For example, Germany's weight consists of the share of U.S. exports to Germany and the shares of German exports to other U.S. export markets (weighted by U.S. export shares to those markets). The weighting scheme for a U.S. import price index—an index that captures the price competitiveness of U.S. goods in the U.S. market—is more straightforward: It consists only of bilateral import shares. The broad real exchange rate, which consists of real (CPI-adjusted) exchange rates of thirty-five major U.S. trading partners, combines import and export

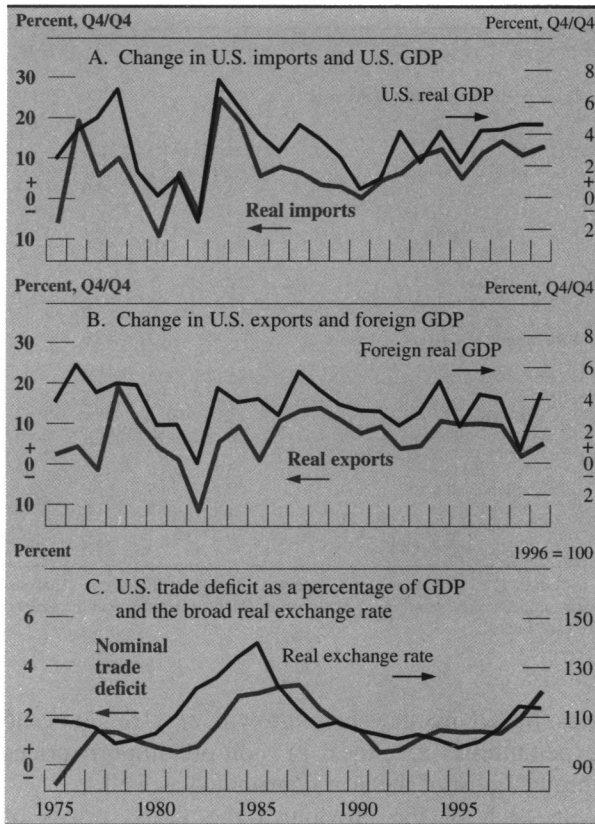
competitiveness of U.S. goods into one measure. The weighting scheme is an average of bilateral import shares and an export weight that depends on the amount of direct exports from the United States as well as the extent to which a foreign country's exports go to third-country markets.¹

For exports (middle panel of chart 5), foreign activity is measured by aggregate foreign GDP, for which the weights are each country's share in U.S. exports. Alternatively, the weighting scheme could be based on the share of each country's GDP in world GDP. However, given that the goal is to explain U.S. exports, a weighting scheme based on bilateral export shares is appropriate: This export-share-weighted measure of foreign GDP weights Mexico's GDP more heavily than its share in world GDP.

For imports (top panel of chart 5), U.S. GDP has proven to be a suitable proxy for U.S. demand, but its use is not clear-cut. Conceptually, different types of imports depend on different measures of activity. Imports that are used as intermediate inputs in the production process are determined by production, or GDP; but imports that are final consumer goods are determined by domestic demand.

1. For a complete description of the broad real index of the dollar's foreign exchange value, see Michael P. Leahy, "New Summary Measures of the Foreign Exchange Value of the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811–18.

5. Economic growth, real exchange rate, and trade balance, 1975–99



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, various national sources, and the Federal Reserve Board.

relative to the size of the U.S. economy. Recently, relative prices have had a more muted effect on the trade deficit, as the strong growth of the U.S. economy has dominated all other factors. However, even though U.S. price competitiveness did not deteriorate further in 1999, the lagged effects of the deterioration of the past few years—reflecting the sharp nominal appreciation of the dollar (chart 4)—continued to hold down the expansion of exports and support the expansion of imports during the year.

Exports

The value of U.S. exports of goods and services rose \$26 billion in 1999, to a level of \$960 billion, after a \$5 billion decrease in 1998 (table 3). Receipts for services rose 5 percent, after a 2 percent increase in 1998. The value of goods exports rose 2 percent, following a decline of about the same magnitude in 1998.

The value of exports of semiconductors increased 25 percent in 1999 to account for most of the overall

increase in goods exports. After large increases in each of the previous three years, exports of aircraft and parts decreased slightly in 1999. The value of agricultural exports fell for the third straight year, as prices dropped 5 percent largely because of robust world supplies, particularly in world grain and oil-seed markets.

In services, the increase was due mainly to enlarged receipts in three categories: “other private services,” a catchall category that includes mostly business, professional, technical, and financial services; foreign travel to the United States; and freight and port expenditures by foreigners.

Exports of goods to Asian emerging markets increased \$7 billion, or about 7 percent, in 1999, after declining in 1998 (table 4). Within that total, exports to Korea in particular rose strongly. However, exports to the region remain below the levels of 1997, partly because Asian currencies are still relatively weak.

Reflecting the strength in economic activity in North America, U.S. exports to Canada and Mexico continued to advance rapidly throughout 1999. U.S. exports to Mexico expanded \$8 billion, with increases spread over all major trade categories, and over the past four years have almost doubled. The growth in exports to Canada was also strong, increasing \$10 billion, or about 6 percent; exports of automotive products accounted for almost half the increase, as cross-border shipments of automotive parts were boosted by strong vehicle sales in the United States.

In contrast to the strength of exports to Mexico, Canada, and emerging-market countries in Asia, a more mixed picture emerged for exports of goods to the rest of the world. Exports to Europe increased

4. U.S. exports of goods to its major trading partners, 1996–99

Billions of dollars

Importing region	1996	1997	1998	1999	Change, 1998 to 1999
Total goods exports	612	680	670	683	13
Asia	176	183	154	161	7
Japan	66	65	57	56	0
Other Asia ¹	110	118	97	104	7
Latin America	109	135	142	141	0
Mexico	57	71	78	87	8
Other countries	52	63	63	55	-8
Brazil	12	16	15	13	-2
Canada	135	152	157	166	10
Western Europe	138	153	159	162	3
All other ²	54	57	59	52	-6

1. Includes China, Hong Kong, Korea, Singapore, Taiwan, Indonesia, Philippines, Malaysia, and Thailand.

2. Includes Australia, New Zealand, Middle East, Eastern Europe, and Africa.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

only slightly even though economic growth had picked up in the area. Exports to Japan showed little change after falling sharply in 1998; this apparent bottoming out may be attributable to a strong yen and a steadier Japanese economy. Exports of goods to Latin America (excluding Mexico) fell sharply, and the weakness was widespread.

The quantity of exports rose almost 5 percent in 1999, more than twice as fast as in 1998 (table 5). Increases were spread across major trade categories, particularly computers, other machinery, industrial supplies, and consumer goods. In terms of composition, about 45 percent of U.S. goods exports were capital equipment, 20 percent were industrial supplies, and roughly 10 percent each were agricultural, automotive, and consumer goods.

Prices of U.S. exported goods rose $\frac{1}{4}$ percent in 1999, exhibiting the first increase in four years, notwithstanding the 5 percent drop in agricultural export prices (table 6). The turnaround in overall export prices was due largely to a 0.7 percent increase in the export prices of nonagricultural goods; a large increase in prices of exported industrial supplies more than offset continued decreases in hedonic price indexes (which are adjusted for technological change and quality improvements) for computers and semiconductors. Prices of exported services rose 2.7 percent in 1999, following a small decrease in 1998.

Imports

In 1999, the value of U.S. imports of goods and services grew \$130 billion, or 12 percent, about twice as fast as the rate in 1998 (table 3). The expansion

5. Change in the quantity of U.S. exports, 1996–99

Percent, fourth quarter to fourth quarter

Item	1996	1997	1998	1999
Exports of goods and services	9.8	9.2	2.0	4.8
Services	8.9	2.3	2.6	3.7
Goods ¹	10.1	12.2	1.8	5.3
Agricultural products	3.7	3.3	.3	-1.7
Industrial supplies	6.0	6.3	-2.6	6.4
Capital equipment	15.5	18.2	4.5	5.8
Aircraft and parts	39.9	10.3	48.8	-16.6
Computers, peripherals, and parts ..	21.6	26.1	7.1	12.0
Semiconductors	44.6	21.0	9.3	33.4
Other machinery and equipment	3.4	17.1	-7.9	6.3
Automotive vehicles and parts	5.9	14.4	-2.0	1.9
Consumer goods	9.8	7.2	1.2	5.6

NOTE. Quantities are measured in chained (1996) dollars.

1. Selected categories are shown below.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts; and the Federal Reserve Board.

6. Change in prices of U.S. imports and exports of goods and services, 1996–99

Percent, fourth quarter to fourth quarter

Item	1996	1997	1998	1999
Total exports of goods and services	-2.1	-8	-2.6	1.0
Services	2.5	.8	-.4	2.7
Goods	4.0	-1.5	-3.5	.3
Agricultural products	-2.9	-3.2	-10.1	-5.0
Nonagricultural goods	-4.1	-1.3	-3.0	.7
Computers, peripherals, and parts	-18.2	-11.0	-12.7	-6.8
Semiconductors	-33.1	-13.3	-5.6	-3.1
Other goods	-.1	.6	-1.9	1.7
MEMO				
Industrial supplies	-2.8	-.5	-7.4	4.1
Total imports of goods and services	-1.8	-4.2	-5.0	3.3
Services	1.8	-2.1	-.3	2.7
Goods	-2.5	-4.6	-5.9	3.4
Oil	38.8	-20.2	-35.7	93.2
Non-oil	-5.7	-2.8	-3.5	-.9
Computers, peripherals, and parts	-15.1	-14.8	-16.5	-11.3
Semiconductors	-53.2	-14.9	-8.2	-3.6
Other goods	-.7	-.8	-1.9	.2
MEMO				
Industrial supplies	-2.7	-.1	-6.8	4.3

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts; chain-weighted indexes; and the Federal Reserve Board.

was fueled by the sharp growth of U.S. domestic expenditures. Declines in non-oil import prices through most of the year contributed as well.

In each of the previous three years, prices of imported goods and services had fallen and thereby helped to mute inflation in the United States. In contrast, such prices, sparked by a sharp rise in the price of oil, rose 3 percent in 1999 (table 6). Non-oil import prices declined almost 1 percent over the course of the year, but there was a notable break in trend in the second half of the year; after three years of much larger price declines, a slight real depreciation of the dollar along with the turnup in primary commodity prices combined to increase non-oil import prices. The biggest shift was in imported industrial supplies, the price of which increased more than 4 percent after three years of decline.

Oil Imports

The value of U.S. oil imports increased 33 percent in 1999 (table 3)—even though the volume of oil imports changed little—because of the dramatic increase in the average price of imported oil (chart 1). The quantity of U.S. oil imports remained steady at 11.3 million barrels per day. U.S. oil consumption increased (in line with economic activity), whereas U.S. oil production decreased as a result of both increasing field maturity and depressed exploration

and development activity following the low oil prices of 1998 and early 1999. With flat oil imports, U.S. oil inventories, which had been large at the end of 1998, were drawn down to accommodate the widened gap between domestic consumption and production.

Non-Oil Imports

The quantity of non-oil imports grew 15 percent in 1999 (table 7). An expansion in a broad range of goods was fueled by robust growth of U.S. domestic demand and was supported by declines in non-oil import prices. Reflecting the strength of spending by households and businesses in the United States, real imports of consumer goods, automotive products, computers, semiconductors, machinery, and industrial supplies advanced strongly throughout the year. The size of the increase in automotive imports in 1999 reflected buoyant automotive sales in the United States.

Payments to foreigners for services rose strongly in 1999, with increases in all service categories but especially in travel (U.S. residents traveling abroad), transportation, and other private services.

Trade Policy

Trade tensions worsened over the past two years as the strong dollar made imports relatively inexpensive, fueling competition in many industries. The steel industry was successful in gaining import protection, resulting in a reduction of steel imports by weight of 14 percent in 1999. In contrast, the robust U.S. economy, coupled with low unemployment,

meant that growing imports were less of a threat and did not provoke calls for restrictions in most other industries. As a result, there was no fundamental shift in U.S. trade policy, and strong imports have not, for the most part, been interpreted as damaging. Rather, they have been correctly attributed to the relative strength of the U.S. economy and credited with helping to mute inflation.

DEVELOPMENTS IN THE NONTRADE CURRENT ACCOUNT

The two major components of the current account, other than trade in goods and services, are net unilateral current transfers and net investment income.

Unilateral Current Transfers

Net unilateral current transfers include government grant and pension payments as well as net private transfers to foreigners. In 1999, the deficit on unilateral transfers increased \$3 billion, to \$47 billion (table 1). Most of the increase was in private remittances, mainly from large nonprofit institutions.

Investment Income

Net investment income is the difference between the amount that U.S. residents earn on their direct and portfolio investments abroad (receipts) and the amount that foreigners earn on their direct and portfolio investments in the United States (payments).⁴ Data revised in light of the results of the Benchmark Survey of U.S. Ownership of Foreign Long-Term Securities indicate that net investment income turned negative in 1998 for the first time since 1914 (table 8). Reflecting the large and persistent current account deficits over the past two decades, foreign assets in the United States have grown more rapidly than U.S. assets abroad. However, net investment income remained positive long after the net investment position became negative because foreign direct investment in the United States has earned a far lower rate of return than U.S. direct investment abroad (chart 6).

7. Change in the quantity of imports, 1996–99
Percent, fourth quarter to fourth quarter

Item	1996	1997	1998	1999
Imports of goods and services	11.2	14.2	10.8	12.6
Services	5.3	13.6	8.4	6.9
Goods	12.3	14.3	11.3	13.8
Oil	7.8	4.0	4.1	-3.3
Non-oil ¹	12.8	15.2	11.7	15.2
Capital goods ¹	16.7	24.4	11.2	19.8
Aircraft and parts	25.5	26.1	31.0	-3.5
Computers, peripherals, and parts	17.7	32.4	26.9	26.1
Semiconductors	56.7	32.8	-7.4	35.4
Industrial supplies	11.9	7.3	8.4	9.0
Automotive products	8.0	8.0	15.9	15.2
Consumer goods	15.1	14.5	9.4	15.8
Foods	13.5	9.7	5.4	11.2

NOTE. Quantities are measured in chained (1996) dollars.

1. Selected categories are shown below.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts; and the Federal Reserve Board.

4. An investment is considered direct if a single owner or affiliated group acquires 10 percent or more of the voting equity in a company. All other U.S. claims on foreigners or foreign claims on the United States are included in the portfolio investment category.

8. U.S. net investment income, 1995–99

Billions of dollars

Item	1995	1996	1997	1998	1999	Change, 1998 to 1999
Investment income, net	24	22	8	-7	-19	-12
Direct investment income, net	64	68	69	59	58	-1
Receipts	96	103	116	103	117	14
Payments	32	36	47	43	58	15
Portfolio investment income, net	-40	-46	-61	-66	-78	-11
Receipts	114	120	141	154	155	2
Payments	154	166	202	220	233	13

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

In 1998, the net investment income balance became negative because receipts from U.S. direct investment abroad declined and the negative balance on portfolio investment increased. In 1999, a large decline in the balance on portfolio investment, coupled with a modest decrease in net direct investment income, resulted in a significant widening of the negative investment income balance.

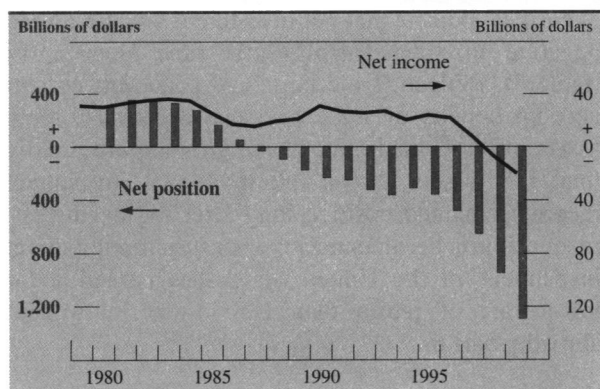
Direct Investment Income

Net direct investment income—the difference between direct investment receipts from U.S. direct investment abroad and U.S. payments on foreign direct investment in the United States—decreased slightly in 1999, as the dollar increase in payments exceeded the increase in receipts (table 8).

Income on U.S. direct investment abroad has tended to increase with the growth of U.S. investments although it has also varied with economic conditions abroad; the decreases in receipts in 1991

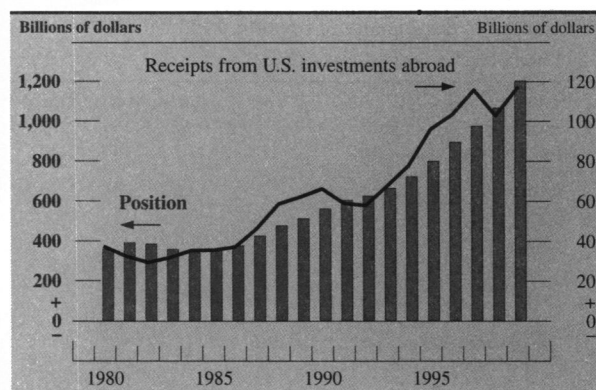
and 1998, in particular, were attributable to weak economic conditions in key countries for U.S. investment (chart 7). In 1999, direct investment receipts rose sharply, to \$117 billion, because of the recovery of foreign economic growth, continued large additions to holdings by U.S. investors, and the surge in oil prices (about 10 percent of U.S. direct investment abroad is in petroleum operations).

Strong economic growth in Mexico, Canada, and Western Europe (areas that account for almost two-thirds of U.S. direct investment abroad) contributed to the robust increase in receipts in 1999. The economic recovery in Asia (which accounts for slightly more than 10 percent of U.S. direct investment abroad) coincided with a strong rebound in direct investment receipts, especially from Japan, Hong Kong, and Malaysia. Receipts from Latin America, excluding Mexico, were flat; a significant downturn in profits from Brazil was offset by increases elsewhere, most notably Panama and Chile. Given the recovery of economic growth and the surge in oil

6. U.S. net international investment:
Position and receipts, 1980–99

NOTE. The net position data are averages of the end-of-year positions for the current and previous years. The year-end position for 1999 was constructed by adding the recorded portfolio investment flows during 1999 to the recorded year-end position for 1998. The net position excludes U.S. gold holding and foreign holdings of U.S. currency.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis; and the Federal Reserve Board.

7. U.S. direct investment abroad:
Position and receipts, 1980–99

NOTE. The position data are averages using the current-cost measures as of year-end for the current and previous years. The year-end data for 1999 were constructed by adding the recorded direct investment capital flows and current cost adjustment during 1999 to the recorded year-end position for 1998.

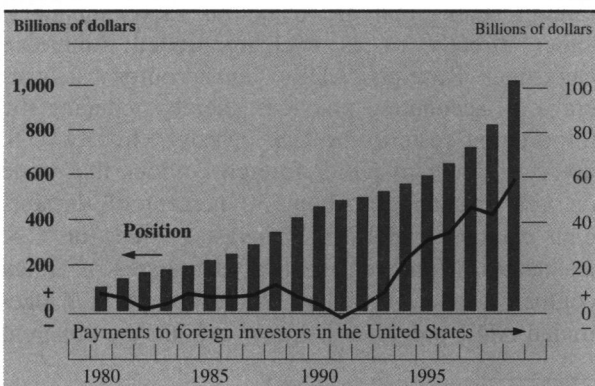
SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis; and the Federal Reserve Board.

prices, it is surprising that the overall rate of return on U.S. direct investment abroad increased only slightly in 1999—to 9.7 percent (calculated using the receipts and position data that appear in chart 7); this figure is considerably below the 11.9 percent earned in 1997.

Income payments on foreign direct investment in the United States, after falling in 1998, increased more than 30 percent in 1999 (table 8). Direct investment payments have not always kept pace with the growth of foreign direct investment in the United States; in the 1980s the direct investment position increased substantially, but payments showed no upward trend (chart 8). Since the early 1990s, payments have increased smartly, in line with the increased profitability of U.S. corporations. The robust increase in 1999 resulted from both the bright profits picture for the U.S. economy and the massive acquisitions undertaken by foreign direct investors in 1998 and again in 1999. The overall rate of return on a current cost basis rose significantly, from 5.3 percent to 5.7 percent, but is still well below both the 1997 return of almost 6.5 percent and the current return on U.S. direct investment abroad.

The balance on direct investment income remains positive because of the positive net direct investment position and the large differential in the rates of return on U.S. direct investment abroad and foreign direct investment in the United States. While the reasons for the differential in the rates of return are not well understood, age-related factors appear to be important: Foreign direct investment in the United States is typically newer than U.S. direct investment abroad and is hence more likely to be incurring startup and restructuring costs and less likely to have

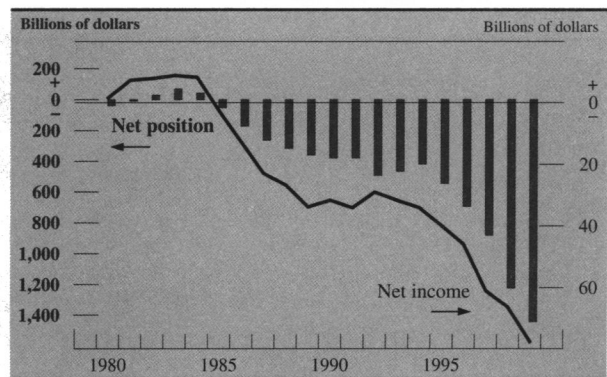
8. Foreign direct investment in the United States: Position and payments, 1980–99



NOTE. The position data are averages using the current-cost measures as of year-end for the current and previous years. The year-end data for 1999 were constructed by adding the recorded direct investment capital flows and current-cost adjustment during 1999 to the recorded year-end position for 1998.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis; and the Federal Reserve Board.

9. Net portfolio investment: Position and income, 1980–99



NOTE. The net position data are averages of the end-of-year net positions for the current and previous years. The year-end position for 1999 was constructed by adding the recorded portfolio investment flows during 1999 to the recorded year-end position for 1998.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis; and the Federal Reserve Board.

reaped the benefits of experience. However, last year, as in 1998, the positive balance on net direct investment income did not offset the negative balance on net portfolio investment income.

Portfolio Investment Income

Portfolio investment income consists of dividends and interest paid on a wide range of claims and liabilities. Receipts and payments are estimated by the Bureau of Economic Analysis (BEA) of the Department of Commerce based on estimates of holdings, dividend–payout ratios, and interest rates. Investment income does not include capital gains associated with changes in securities prices. The balance on portfolio income has been in deficit since 1985, and its size has broadly mirrored the net portfolio investment position (chart 9).

In 1998, net payments did not grow nearly so fast as the net liability position because interest rates fell and rapidly rising equity prices in the United States increased the value of foreign holdings of U.S. equities without a commensurate increase in dividend payments. This can be seen by the narrowing gap between the bars (the position) and the line (net income) in chart 9. In 1999, a further decline in interest rates and an increase in equity prices again damped the increase in net payments relative to the deterioration of the net position.

The 1997 Benchmark Survey of U.S. Ownership of Foreign Long-Term Securities

The data on net portfolio investment income were recently revised to take into account the newly avail-

9. U.S. holdings of foreign long-term securities, by country of issuer, December 31, 1997

Billions of U.S. dollars except as noted

Country or area	Bonds		Equities		All securities	
	Amount	Percent	Amount	Percent	Amount	Percent
Total¹	547	100	1,208	100	1,755	100
Canada	107	20	71	6	177	10
Europe	209	38	736	61	945	54
United Kingdom	54	10	218	18	272	15
Netherlands	13	2	107	9	120	7
Latin America	93	17	95	8	188	11
Mexico	29	5	35	3	64	4
Caribbean financial centers ²	22	4	51	4	72	4
Asia	73	13	213	18	286	16
Japan	30	5	136	11	166	9

1. Selected regions and countries are shown below.

2. Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Netherlands Antilles, and Panama.

SOURCE: U.S. Department of the Treasury.

able results of the Treasury Department's Benchmark Survey of U.S. Ownership of Foreign Long-Term Securities, conducted as of year-end 1997. The previous benchmark survey had been conducted as of March 1994.

A comparison of the two benchmark surveys indicates that, between surveys, official statistics significantly underestimated U.S. portfolio holdings of foreign equities and long-term debt instruments (those with original maturities greater than one year). The 1997 survey measured U.S. holdings of foreign securities 21 percent higher than predicted by the 1994 survey and subsequent transactions data adjusted for prices and exchange rates.⁵ Based on preliminary results from the 1997 survey, BEA increased its estimate of U.S. holdings of foreign assets, thereby increasing its estimate of U.S. investment income earned abroad and reducing the estimated deficit in the balance of payments accounts. Further adjustments will be made this year with the release of final data.

The benchmark survey offers a snapshot of U.S. holdings of foreign securities at year-end 1997. At that time, U.S. holdings of foreign long-term securities totaled \$1,755 billion (table 9). U.S. holdings were widespread—fifty-four countries attracted at least \$1 billion in U.S. investment—but relatively concentrated, with 67 percent of total investment occurring in ten countries. The United Kingdom, with some \$272 billion in U.S. investment, was the

country of choice for U.S. investors, followed by Canada, Japan, the Netherlands, and Germany. U.S. investors held considerably more foreign equities than foreign debt securities, with \$1,208 billion invested in equities and \$547 billion in debt. The Treasury Department estimates that, until 1987, U.S. investors held more foreign debt securities than foreign equities.

The survey showed that U.S. holdings of foreign securities doubled between March 1994 and December 1997. Many studies find that net purchases of foreign equity in a particular market are positively related to the expected equity returns in that market—that is, local market conditions matter. Information asymmetries likely also matter, however, as a closer look at the types of foreign equities that U.S. investors are holding reveals. When investing directly in a foreign market, U.S. investors must glean information produced by accounting practices that may differ from general U.S. accounting practices. However, foreign stocks that are listed on U.S. exchanges, either directly or as exchange-traded American Depositary Receipts (ADRs), must conform to general U.S. accounting practices, thereby reducing the information costs to the U.S. investor.⁶ In fact, U.S. investors seem to prefer foreign equities that trade on U.S. exchanges: About 30 percent of the foreign equities held by U.S. investors trade on U.S. exchanges. Moreover, the fact that shares of Dutch companies make up many of the largest exchange-traded ADR programs helps to explain the apparent

5. The data on U.S. international capital flows are collected regularly by the Treasury International Capital (or TIC) Reporting System; they cover only transactions (that is, purchases and sales of securities), not holdings. Between benchmark surveys of U.S. holdings of foreign securities, which have occurred in 1943, 1994, and 1997, BEA uses the TIC transactions data, along with estimates of price and exchange rate changes, to estimate holdings.

6. ADRs, specifically marketed to U.S. investors, are receipts for shares of stock in foreign companies that are held in a custodial account by or for a U.S. bank. These receipts are then traded on U.S. securities exchanges in U.S. dollars. ADRs entitle the owners to all dividends, capital gains or losses, and voting rights just as if they directly owned the underlying shares.

10. Composition of U.S. capital flows, 1995–99
Billions of dollars

Item	1995	1996	1997	1998	1999
Current account balance	-114	-129	-144	-221	-339
Official capital, net	99	133	17	-29	53
Foreign official assets in the United States	110	127	18	-22	45
U.S. official reserve assets	-10	7	-1	-7	9
Other U.S. government assets	-1	-1	0	0	0
Private capital, net	38	61	269	239	325
Net inflows reported by U.S. banking offices	-45	-75	4	16	6
Securities transactions, net	95	169	254	161	206
Private foreign net purchases of U.S. securities	195	285	343	264	304
Treasury securities	100	155	146	46	-22
Corporate and other bonds	82	119	128	171	231
Corporate stocks	14	11	69	48	95
U.S. net purchases of foreign securities	-100	-116	-89	-103	-98
Bonds	-50	-56	-47	-25	0
Stocks	-50	-60	-42	-78	-98
Stock swaps	0	0	0	-86	-114
Direct investment, net	-40	-4	-1	61	130
Foreign direct investment in the United States	60	89	109	193	283
U.S. direct investment abroad	-100	-93	-110	-133	-152
Foreign holdings of U.S. currency	12	17	25	17	22
Other	14	-47	-13	-16	-40
Statistical discrepancy	-24	-66	-143	10	-39

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

overweighting of Dutch stocks in U.S. portfolios. Dutch stocks make up 9 percent of U.S. investors' foreign equities portfolios but less than 4 percent of the market capitalization outside the United States.

In U.S. investors' foreign debt portfolios, 58 percent of the foreign debt is dollar-denominated. While U.S. investors seek the higher returns of foreign debt, generally they try to avoid direct currency risk, although in doing so they are subject to increased credit risk.

FINANCIAL AND CAPITAL ACCOUNT TRANSACTIONS

As described in footnote 1, the capital account has recently been redefined. It now consists mainly of debt forgiveness and transfers of goods and financial assets by migrants as they enter or leave the country. Transactions in the new capital account are quite small in the U.S. data (table 1) but are much larger for some developing countries.

The new financial account, previously termed the capital account, consists of private and official capital flows. In time, these may come to be called financial flows, but in general they are still referred to as capital flows.

U.S. capital flows in 1999 reflected the relatively strong cyclical position of the U.S. economy and the global wave of corporate mergers. Net private capital inflows reached \$325 billion in 1999, a sharp acceleration from their robust pace of 1998, to exceed the record total set in 1997 (table 10). The faster pace was due mainly to record capital inflows; capital outflows, both direct and portfolio, remained at their high levels of the past few years.

Net foreign purchases of U.S. securities were strong in 1999, reaching \$304 billion. Underneath the near-record amount lay a significant shift in the composition. U.S. budget surpluses reduced the supply of U.S. Treasury securities, and government-sponsored enterprises such as Fannie Mae and Freddie Mac, as well as some large U.S. corporations, strove to fill the void by issuing "benchmark" or "reference" debt that mimics many of the attributes of Treasury securities. Private foreigners on net sold \$22 billion in U.S. Treasury securities in 1999, the first year of foreign net sales since 1990. These were more than offset by a pickup in foreign purchases of their nearest substitutes—agency bonds and corporate bonds. Foreign purchases of agency bonds reached \$74 billion in 1999, and foreign purchases of corporate bonds reached \$158 billion; purchases of both types of bonds were significantly higher than the previous

record levels recorded in 1998. Private foreign purchases of U.S. stocks also reached record levels (\$95 billion) in 1999.

Foreign direct investment flows into the United States were also extremely robust in 1999, easily surpassing the record inflow set in 1998. As in 1998, direct investment inflows were elevated by several large mergers, the largest of which was the Vodafone AirTouch deal. These mergers left their imprint on other parts of the capital account as well. In the past two years, many of the largest mergers have been financed by swapping equity in the foreign acquiring firm—which has usually been European—for equity in the U.S. firm that is being acquired. The BEA estimates that, through this mechanism, U.S. residents acquired \$114 billion of foreign equity in 1999. It is likely that to rebalance their portfolios, U.S. investors subsequently sold a significant portion of the equity acquired through stock swaps. On net, U.S. residents acquired large amounts of Japanese and European equities in 1999.

U.S. residents made modest net purchases of foreign bonds in 1999. U.S. direct investment flows abroad also reflected the global wave of merger activity in 1999 and exceeded their record level of 1998.

Net official capital inflows picked up in 1999, reaching \$53 billion, a marked increase over 1997 and 1998 but far below the record level of \$133 billion set in 1996. Foreign official assets in the United States increased \$45 billion after a moderate decline in 1998. The 1998 decline in foreign official assets in the United States was fairly widespread, as many countries found their currencies under unwanted downward pressure during the turmoil. In contrast, the increase in foreign official reserves in the United States in 1999 was fairly concentrated, as a relatively few countries experienced unwanted upward pressure on their currencies vis-à-vis the U.S. dollar. In particular, increases in Japanese reserves in the United States, which were associated with intervention in the

foreign exchange market, more than accounted for the overall increase in 1999.

With net recorded capital inflows to the United States exceeding the large current account deficit in 1999, the U.S. international accounts recorded a negative statistical discrepancy, after a small positive discrepancy in 1998 and an extremely large negative one in 1997. A negative discrepancy indicates that net payments in the current account or net outflows in the financial account have been unrecorded. For example, illegal drug imports would contribute to a negative discrepancy, as would unrecorded investments abroad by U.S. residents or overstated investments in the United States by foreigners. Inadequacies in the data on trade in services also confound the international accounts, although the effect on the discrepancy is not clear. Given the severity of the swings in the discrepancy over the past few years, the negative discrepancy in 1999 was likely caused by overstated capital inflows.

PROSPECTS FOR 2000

Domestic spending may well continue to outstrip domestic production and increase the current account deficit. But adjustments that should slow the process are also at work. If recovery in foreign economies stays on course, U.S. exports should continue to expand. The sharp appreciation of the dollar in 1997 and 1998 should have a diminished effect on U.S. trade; without further dollar appreciation, the price competitiveness of U.S. goods should improve, a change that would tend to reduce the deficit. Net investment income is likely, however, to continue to increase the current account deficit, as the large excess of foreign assets in the United States above U.S. assets abroad implies that foreign investors should continue to earn more in the United States than U.S. investors earn in other countries. □

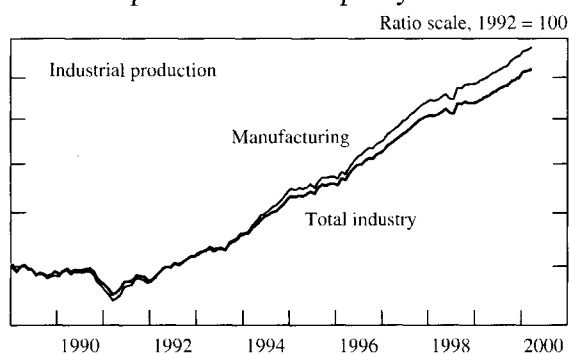
Industrial Production and Capacity Utilization for March 2000

Released for publication April 14

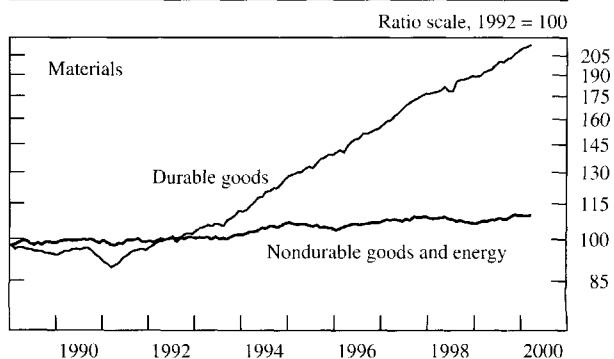
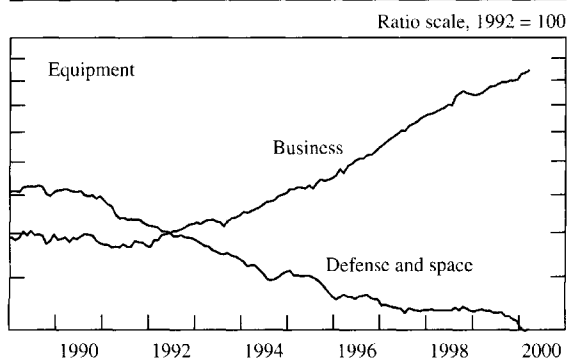
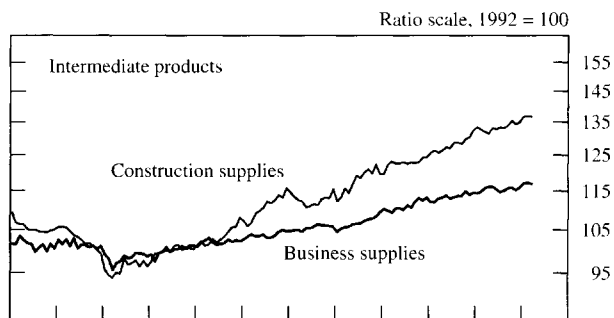
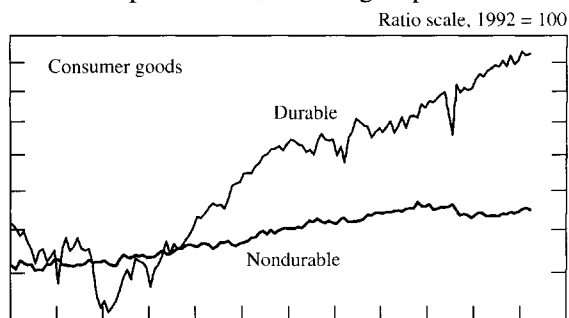
Industrial production increased 0.3 percent in March after having increased an average of $\frac{1}{2}$ percent in the previous three months. At 142.0 percent of its 1992 average, industrial production in March was 5.1 percent higher than in March 1999. For the first quarter as a whole, the total index increased at an annual rate of 6.4 percent, up from a gain of 5.3 percent in the

fourth quarter. The acceleration in the first quarter reflects a rebound in the output of utilities, which had fallen sharply in the fourth quarter. Although manufacturing output expanded slightly less rapidly in the first quarter than in the fourth, it increased at a rate still well above the average for 1998 and 1999. The rate of capacity utilization for total industry edged down in March to 81.4 percent, a level about $\frac{1}{2}$ percentage point below its 1967–99 average.

Industrial production and capacity utilization



Industrial production, market groups



All series are seasonally adjusted. Latest series, March. Capacity is an index of potential industrial production.

Industrial production and capacity utilization, March 2000

Category	Industrial production, index, 1992 = 100									
	1999	2000				Percentage change				Mar. 1999 to Mar. 2000
						1999 ¹	2000 ¹			
		Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^p	Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^p	
Total	140.1	141.5	141.6	142.0	.5	1.0	.1	.3	5.1	
Previous estimate	140.2	141.7	142.1	...	.5	1.1	.3	...	...
Major market groups										
Products, total ²	128.5	130.0	130.2	130.3	.4	1.2	.1	.1	3.4	
Consumer goods	118.1	119.2	119.2	119.0	.4	.9	.0	-.2	2.0	
Business equipment	175.5	179.4	180.0	181.5	.3	2.2	.3	.9	8.4	
Construction supplies	134.9	136.5	136.6	136.5	.5	1.1	.1	-.1	3.6	
Materials	159.7	160.8	161.0	162.0	.5	.7	.1	.6	7.8	
Major industry groups										
Manufacturing	145.6	146.8	147.0	147.6	.4	.8	.1	.4	5.7	
Durable	178.4	181.0	181.2	182.5	.6	1.4	.1	.8	8.6	
Nondurable	113.7	113.8	113.9	113.9	.1	.0	.1	.0	1.9	
Mining	99.5	99.9	99.1	100.0	-.2	.5	-.9	1.0	2.6	
Utilities	113.5	117.7	118.6	115.7	2.4	3.7	.8	-2.5	-.9	
Capacity utilization, percent									MEMO Capacity, per- centage change, Mar. 1999 to Mar. 2000	
Average, 1967-99	Low, 1982	High, 1988-89	1999	1999	2000					
			Mar.	Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^p			
Total	82.0	71.1	85.4	80.5	81.1	81.6	81.5	81.4		3.8
Previous estimate .....	...	...	...	...	81.1	81.7	81.7	...	...
Manufacturing	81.1	69.0	85.7	79.6	80.3	80.7	80.6	80.6	4.3	
Advanced processing	80.5	70.4	84.2	78.5	79.2	79.7	79.5	79.5	5.2	
Primary processing	82.4	66.2	88.9	82.9	83.9	83.9	83.9	84.0	2.0	
Mining	87.3	80.3	88.0	80.9	82.8	83.3	82.7	83.6	-.6	
Utilities	87.5	75.9	92.6	91.9	88.4	91.6	92.3	89.9	1.3	

NOTE. Data seasonally adjusted or calculated from seasonally adjusted monthly data.

1. Change from preceding month.

2. Contains components in addition to those shown.

^r Revised.

^p Preliminary.

MARKET GROUPS

The output of consumer goods edged down 0.2 percent in March, as an increase of 0.4 percent in the production of durable consumer goods was more than offset by a decline in the production of nondurables. The gain in the production of durable consumer goods mostly reflected a 0.7 percent rebound in the output of automotive products. The output of other consumer durable goods edged up 0.1 percent in February and March after having posted sizable gains in the previous two months. The production of non-durable non-energy consumer goods slipped 0.2 percent in March, as solid gains in the production of consumer chemicals and paper products were mostly offset by declines in the output of foods and tobacco and of clothing. The output of consumer energy products, which fell back 1.6 percent, was pushed down by a decrease in utilities' sales to residences.

The production of business equipment increased 0.9 percent, advancing at about the same pace that it

had averaged in the previous three months. The production of information processing and related equipment increased 2.0 percent on the strength of gains in the output of communications equipment and computers. The production index for the "other equipment" category also posted a strong gain that reflected a sharp increase in the output of farm machinery and equipment; even so, output for this category has only partially recovered from its steep drop in the first half of last year. The output of transit equipment fell again in March because of continued declines in the production of commercial aircraft and reductions in the production of medium and heavy trucks. The production of industrial equipment fell back 0.7 percent, retracing the gain in February; some of the decrease reflected a decline in the output of construction machinery, which had posted substantial increases in the previous three months.

The production index for construction supplies edged down 0.1 percent and remains close to its recent peak in January; it was up 5.0 percent (annual

rate) in the first quarter, a rise similar to the gain in the fourth quarter of last year. The output of materials was up 0.6 percent in March, slightly more than the average gain in the preceding three months. The output of durable goods materials rose 0.8 percent, with another strong increase in equipment parts, particularly semiconductors. The output indexes for nondurable goods materials and for energy materials rose 0.2 percent.

INDUSTRY GROUPS

Manufacturing output rose 0.4 percent in March, led by gains in the production of durable goods; the production of nondurable goods, which had risen sharply in the fourth quarter, has been little changed since the end of last year. Among durable goods, which accelerated to an annual rate of 9.7 percent in

the first quarter, continued increases in the production of high-technology goods accounted for most of the overall gain. In particular, more rapid output of communications equipment contributed importantly to the acceleration. The output of nondurables advanced at an annual rate of only 1.6 percent in the first quarter. The production of food, paper, printing, and chemicals all decelerated between the fourth and first quarters.

The factory operating rate, at 80.6 percent, was unchanged. The utilization rate for primary-processing industries increased slightly, to 84.0 percent, while that for advanced-processing industries remained at 79.5 percent.

The output of utilities fell back 2.5 percent because of unseasonably warm weather; the operating rate at utilities fell to 89.9 percent. Mine production increased 1.0 percent, more than reversing the decline in February. □

Statements to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Special Committee on Aging, U.S. Senate, March 27, 2000

I am pleased to be here today as you begin your discussion of using general revenue transfers to shore up social security and Medicare. A thorough consideration of the options available for placing these programs on a firmer fiscal footing is essential given the pressures that loom in the not-too-distant future. I commend the committee for your efforts to advance this important discussion.

As you are well aware, the dramatic increase in the number of retirees relative to workers that is set to begin in about ten years makes our pay-as-you-go social security and Medicare programs, as currently constituted, unsustainable in the long run. Eventually, social security and Medicare will have to undergo reform. The goal of this reform must be to increase the real resources available to meet the needs and expectations of retirees without blunting the growth in living standards among our working population and, presumably without necessitating sizable reductions in other government spending programs.

The only measures that can accomplish this goal are those aimed at increasing the total amount of goods and services produced by our economy. As I have argued many times before, any sustainable retirement system—private or public—requires that sufficient resources be set aside over a lifetime of work to fund an adequate level of retirement consumption. At the most rudimentary level, one could envision households saving by actually storing goods purchased during their working years for consumption during retirement. Even better, the resources that would have otherwise gone into the stored goods could be diverted to the production of new capital assets, which would cumulatively produce an even greater quantity of goods and services to be consumed in retirement.

From this perspective, it becomes clear that increasing our national saving is essential to any successful reform of social security or Medicare. The impressive improvement in the budget picture since the early 1990s has helped greatly in this regard. And it appears that both the Administration and the Con-

gress have wisely chosen to wall off the bulk of the unified budget surpluses projected for the next several years and allow it to build. This course would boost saving, raise the productive capital stock, and thus help provide the wherewithal to meet our future obligations.

The idea that we should stop borrowing from the social security trust fund to finance other outlays has gained surprising—and welcome—traction. It has established, in effect, a new budgetary framework that is centered on the on-budget surplus and the way it should be used. The focus on the on-budget surplus measure is useful because it offers a clear objective that should help to strengthen budgetary discipline. Moreover, it moves the budget process closer to accrual accounting, the private-sector norm, and—I believe—a sensible direction for federal budget accounting.

Under accrual accounting, benefits would be counted when they are earned by workers rather than when they are paid out. Under full accrual accounting, the social security program would have shown a substantial deficit last year. So would have the total federal budget. To the extent that such accruals are not formally accounted for in the unified budget—as they generally are not—we create contingent liabilities that, under most reasonable sets of assumptions, currently amount to many trillions of dollars for social security benefits alone. The contingent liabilities implicit in the Medicare program are much more difficult to calculate—but they are likely also in the trillions of dollars. For the federal government as a whole, an accrual-based budget measure would record noticeable unified budget deficits over the next few years and increasing, rather than decreasing, implicit national indebtedness.

The expected slowdown in the growth of the labor force, the direct result of the decrease in the birth rate after the baby boom, means that financing our debt—whether explicit debt or the implicit debt represented by social security and Medicare's contingent liabilities—will become increasingly difficult. I should add, parenthetically, that the problem we face is much smaller than that confronting the more rapidly aging populations of Europe and Japan. Nonetheless, pressures will mount, and I believe that the growth potential of our economy is best served by

maintaining the unified budget surpluses presently in train and thereby reducing Treasury debt held by the public. The resulting boost to the pool of domestic saving will help sustain the current boom in productivity-generating investment in the private sector. Indeed, if productivity growth continues at its recent pace, our entitlement programs will be in much better shape. Saving the surpluses—if politically feasible—is, in my judgment, the most important fiscal measure we can take at this time to foster continued improvements in productivity.

The vehicle through which we save our surpluses is less important than the fact that we save them. One method that has been proposed, and that is the focus of today's hearing, is to transfer general revenues from the on-budget accounts to the social security trust fund. These transfers in themselves do nothing to the unified budget surplus. The on-budget surplus is reduced, but the off-budget surplus increases commensurately. The transfers have no effect on the debt held by the public and, hence, no direct effect on national saving. But transferring monies from the on-budget to the off-budget social security accounts could make it politically more likely that the large projected unified surpluses will, in fact, materialize. Given that our record of sustaining surpluses for extended periods of time is not good, any device that might accomplish this goal is worth examining.

Using general revenues to fund social security is an idea that has been considered previously but rejected. Indeed, the commission that I chaired in 1983 was strongly opposed, for a variety of reasons, to the notion of using general revenues to shore up social security. One argument was that using general revenues would blur the distinction between the social security system, which was viewed as a social insurance program, and other government spending programs.

Both social security and, for that matter, Medicare part A are loosely modeled on private insurance systems, with benefits financed out of worker contributions. Like private insurance systems, they are intended to be in long-term balance. But the standard adopted for social security and Medicare part A—that taxes and other income are to be sufficient to pay benefits for seventy-five years—falls short of the in-perpetuity full funding standard of private pension plans, and, in many years, social security and Medicare have not met even this less stringent standard.

Furthermore, the requirement that social security and Medicare be in long-term balance does not mean that each generation gets in benefits only what it contributed in taxes plus earnings. Indeed, most social security beneficiaries to date have received far

higher rates of return on their contributions than that available, for example, on U.S. Treasury securities. But the reduction in the birth rate after the baby boom and the continued increase in life expectancy beyond age sixty-five mean that the social security system will no longer provide workers with such high returns.

Although the analogy between social security and private insurance has never been that tight, the perception of social security as insurance has been widespread and quite powerful. Many supporters of social security feared that breaking the link between payroll taxes and benefits by moving to greater reliance on general revenue financing would transform social security into a welfare program.

But now, when payroll taxes are no longer projected to be sufficient to pay even currently legislated benefits, moving toward a system of general revenue finance raises the concern that the fiscal discipline of the current social security system could be reduced. Once the link between payroll taxes and social security benefits is broken, the pressure to reform the social security system may ease, particularly in this environment of budget surpluses. For example, Medicaid and Medicare part B—both of which will face increasing demands as the population ages—are already financed with general revenues, and, consequently, there has been much less pressure to date to reform these programs.

The availability of general revenue finance when the baby boom generation begins to enter retirement and press on our overall fiscal resources could make it more difficult to argue for program cuts, regardless of their broader merits. As I have testified on many previous occasions, there are a number of social security benefit reforms—such as extending the age of full retirement benefit entitlement and indexing it to longevity, altering the benefit calculation bend points and adjusting annual cost-of-living escalation to a more accurate measure—that should be given careful consideration. The potential for enhancing efficiency by restructuring the Medicare program is probably even greater than in social security. Relaxing fiscal discipline in the Medicare program by expanding the use of general revenues before the underlying program has been tightened could take the steam out of efforts to improve the way health services are delivered.

That said, I think it is important to note that most government programs are funded through general revenues, so allowing general revenues to finance some of social security or Medicare part A is clearly an idea that would not necessarily eliminate all fiscal responsibility. It might be feasible, for example, to

legislate temporary general revenue transfers that would end long before the baby boom generation starts to retire, without opening the possibility of completely eliminating the need for program cuts in social security or changes to Medicare.

It is, of course, difficult to predict the political and economic environment that will be facing policymakers fifteen or twenty years in the future. Legislation passed today that affects the distribution of resources between future workers and retirees could easily be changed later. That is why the most important deci-

sion facing policymakers today is not about the *distribution* of future resources but about the *level* of future resources available for future workers and retirees. The most effective means of raising the level of future resources, in my judgment, is to allow the budget surpluses projected in the coming years to be used to pay down the nation's debt. The Congress and the Administration will have to decide whether transferring general revenues to the entitlement programs is the best way to preserve the surpluses, or whether better mechanisms exist.

Statement by Louise L. Roseman, Director, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services, U.S. House of Representatives, March 28, 2000

Thank you for the opportunity to comment on a variety of issues that affect our nation's coins and currency. The new dollar coin and the Fifty States Commemorative Quarter program have renewed the public's interest in coins. These changes in our coinage are occurring as the Treasury Department prepares to release new \$5 notes and \$10 notes later this spring, completing the design series that began with the \$100 note in 1996. Before I address the issues raised by the subcommittee, it may be useful first to describe briefly how the Federal Reserve, as the nation's central bank, issues, distributes, processes, and accounts for currency and coin.

ROLE OF THE FEDERAL RESERVE

The Federal Reserve provides cash services to more than 9,600 of the 22,000 banks, savings and loans associations, and credit unions in the United States to carry out its responsibility under the Federal Reserve Act "to furnish an elastic currency." The remaining institutions choose to obtain their cash through correspondent banks rather than directly from the Federal Reserve.

CURRENCY

Federal Reserve notes account for about 95 percent of the \$564 billion of currency and coin in circula-

tion. Each year the Federal Reserve Board determines the need for new currency and submits an order to the Treasury's Bureau of Engraving and Printing (BEP). Typically, more than 80 percent of the new currency replaces currency destroyed by the Reserve Banks because it is unfit for further circulation. The remainder is printed to meet expected increases in the demand for currency. The Federal Reserve pays the BEP the cost of printing new currency and arranges and pays the cost of transporting the currency from the BEP facilities to the Federal Reserve cash offices.

The Federal Reserve distributes new and fit currency into circulation, detects counterfeits, and destroys unfit currency. When a depository institution orders currency from a Federal Reserve Bank, the Bank provides the requested shipment to an armored carrier arranged by the depository institution and charges the depository institution's account (or the account of the bank that acts as its settlement agent) for the amount of the order. Similarly, when a depository institution returns excess currency to the Federal Reserve, it receives a corresponding credit to its account. The deposited currency is stored in secure vaults until it is verified on a note-by-note basis by processing on very sophisticated equipment. During this verification, deposited currency is counted for accuracy, counterfeit notes are identified, and unfit notes are destroyed. The fit currency is returned to the secure vault and is used to fill future currency orders.

Federal Reserve notes in circulation are recorded as a liability on the Federal Reserve's balance sheet. The Federal Reserve, as required by law, pledges collateral (principally U.S. Treasury securities) equal to the face value of currency in circulation. Each day, as orders are filled and deposits are received, the Federal Reserve determines the net change and takes any necessary action to ensure the currency is fully collateralized.

COIN

The Federal Reserve's role in coin operations is more limited than its role in currency. The Mint determines the annual coin production and monitors Federal Reserve coin inventories weekly to identify trends in coin demand. To help the Mint plan, the Reserve Banks in March provide the Mint with their projected monthly coin orders for the next fiscal year. In addition, the Reserve Banks provide preliminary estimates of their coin needs for the two following fiscal years. The Federal Reserve buys coin from the Mint at face value, and the Mint pays the expense of transporting the coin from its production facilities to the Reserve Banks.

The Federal Reserve's coin operations consist primarily of storage and distribution but not processing because coins do not require fitness sorting. In addition to the Federal Reserve offices, Reserve Banks use more than 100 additional sites, known as coin terminals, to handle nearly 80 percent of the Federal Reserve's coin volume. Coin terminals, which are generally operated by armored carriers, reduce the transportation required and make the coin distribution system more efficient. Many retailers and depository institutions need to have coin wrapped, a service provided by armored carriers. Depository institutions order and deposit coin, like currency, to meet customer demand, and the Reserve Banks adjust the appropriate bank's account accordingly. Rather than piece-verify coin deposits, the Reserve Banks and the coin terminals generally weigh coin bags to verify the value of coin received. The Reserve Banks account for the coin in their vaults and at the coin terminals as an asset on their balance sheets.

COIN DEMAND

During 1999, the Federal Reserve experienced exceptional demand for all denominations of coins. In several regions, the demand for pennies, and later in the year, for other denominations, at times exceeded the Federal Reserve's ability to meet orders. The average number of coins flowing out of Reserve Banks during 1999 (minus coins flowing into Reserve Banks) was nearly 30 percent higher than in 1998. That number, in turn, was 27 percent higher than in 1997. The strong economy and the public's interest in collecting state quarters were likely contributing factors to the recent higher coin demand.

To address this situation, the Mint increased its coin production to 20 billion coins in fiscal year 1999 from 15 billion coins in 1998. It also shifted produc-

tion from pennies to higher-denomination coins to avoid shortages there. Faced with coin orders that exceeded the Mint's near-term production capabilities, the Federal Reserve centralized its management of coin inventories in a single office. Centralized management has allowed the Federal Reserve to coordinate better with the Mint to distribute new coins equitably and balance coin inventories across Federal Reserve sites. In addition, the Mint and the Federal Reserve have encouraged depository institutions to make it easier for the public to deposit coins. We also understand that some depository institutions shifted their coin inventories among their offices to better meet their customers' needs in all geographic areas they served.

Coin circulates much differently than currency. This is especially true for pennies, which do not circulate with the same frequency as other coin denominations. The Mint and Federal Reserve have experienced other periods in the 1980s and 1990s when the demand for pennies exceeded the Reserve Bank inventories and the Mint's production capacity. The location of the coin, not the amount of coin, is quite often the problem. People tend to accumulate coins in desk drawers, jars, or on the tops of dressers. One company identified this phenomenon as a business opportunity and placed coin collection machines in supermarkets. In 1999, this company returned 20 billion coins to circulation.

The Federal Reserve and the Mint are working collaboratively to better understand coin demand and coin circulation patterns. Efforts are under way to develop better models for forecasting coin demand and to improve coin distribution and inventory management systems.

DOLLAR COIN

The recent introduction of the new dollar coin illustrates the Federal Reserve's role in coin distribution. The original plan, developed last summer, called for the Federal Reserve to begin distributing the new dollar coin to the banking industry in March 2000. Depository institutions, armored carriers, and the Federal Reserve had requested this release date to ensure that any increased currency flows around the Y2K period had diminished before distribution and inventory build-up efforts began for the dollar coin.

In December 1999, the Mint notified the Federal Reserve and banking industry representatives that it planned to enter into a corporate partnership with Wal-Mart to promote the new dollar coin beginning in January. Banking industry representatives objected

to a retailer's distributing the new coin before the banking industry obtained it, and they asked that the industry receive the new dollar coin at the same time. The Mint and the Federal Reserve tried to accommodate the depository institutions, but the production and distribution logistics associated with this accelerated schedule made it difficult for the Mint and the Federal Reserve to meet depository institutions' initial orders for the dollar coin.

By January 30, the launch date for the Wal-Mart promotion, the Mint had shipped boxes of wrapped new dollar coins directly to Wal-Mart stores. In contrast, the Mint began limited shipments to the Federal Reserve on January 18, but some West Coast Federal Reserve offices did not receive the coin until January 28, two days after the coin was officially released to the public. Additionally, Wal-Mart received more initial supplies of the new dollar coins than did the Federal Reserve. By February 11, the Mint had shipped 60 million coins to Wal-Mart. In contrast, by the same date, the Mint had shipped 51 million coins to the Federal Reserve, which we used to begin meeting the demand for the rest of the U.S. economy.

Once the Reserve Bank coin facilities received the initial supply of dollar coins, the Reserve Banks equitably distributed the unwrapped dollar coins and partially filled depository institutions' orders through normal armored carrier transportation routes. Depository institutions typically received the new dollar coins several days later to allow time for the armored carriers to wrap the coin and deliver it. Because of the limited initial quantities of coin available to the Federal Reserve, many community banks and branches of large banks did not receive dollar coins until after Wal-Mart had released them to the public.

To address the banking industry's desire to have dollar coin inventories as soon as possible, the Federal Reserve worked closely with the Mint to develop a direct shipment program for depository institutions. This temporary program, managed by the Mint, is designed to expedite delivery of limited quantities of dollar coins to small depository institutions. We expect that within the next few weeks the distribution channels will catch up to initial demand and the Federal Reserve will be able to fill all depository institutions' orders for the new dollar coin.

ANTICOUNTERFEITING MEASURES

Although the Secretary of the Treasury, and not the Federal Reserve, has authority to approve currency designs, the Federal Reserve works actively and col-

laboratively with the Treasury, the Secret Service, and the Bureau of Engraving and Printing on anti-counterfeiting efforts. Counterfeit-deterrent features in U.S. currency continue to evolve to ensure a secure currency in which the public has confidence. Currency design changes in 1990 introduced a security thread, microprinting, and new covert features. The 1996 series design includes both publicly recognizable anticounterfeiting features, such as an enhanced security thread, a watermark, and color-shifting ink, as well as additional covert, machine-readable features. The Federal Reserve also provides information to the Secret Service on all counterfeits the Reserve Banks receive in its deposits, including the most sophisticated counterfeits.

Given that about two-thirds of U.S. currency circulates overseas, we monitor and analyze international currency flows and counterfeiting data to understand better the international use of U.S. currency and the incidents of U.S. currency counterfeiting in foreign countries. The Federal Reserve maintains close contact with commercial banks that provide currency internationally as well as with other central banks so that we can closely monitor counterfeiting activity.

Ongoing research efforts are aimed at defending against future counterfeiting threats, especially those posed by continued improvements in, and the low-cost availability of, inkjet printers and computer scanners. For instance, the Federal Reserve and the Bureau of Engraving and Printing have devoted significant resources to a twenty-four nation effort, through the Bank for International Settlements, to combat color copier counterfeiting and, more recently, the growing threat of inkjet counterfeiting.

The Federal Reserve is not active in anticounterfeiting efforts for coin. Economic loss and the number of counterfeiting incidents associated with coin are low compared with those involving currency. Moreover, because the Federal Reserve's coin processing operations do not include piece inspections, our ability to detect counterfeit coin is limited.

HIGH-DENOMINATION BANK NOTES

The subcommittee has asked for our views on the advantages and disadvantages of issuing U.S. bank notes in denominations higher than \$100. We considered how a higher-denomination note could enhance the attractiveness of using U.S. currency and could provide savings by reducing printing, processing, and transportation costs. These benefits were weighed against the concern that high-denomination bank

notes could facilitate money laundering and drug trafficking.

Demand for U.S. currency and for specific denominations is driven by many factors, including the needs for a medium of exchange and a store of value. Domestic demand for currency is largely transaction-oriented and is influenced by income levels, prices, and the availability of alternative payment methods. Increases in domestic demand for high-denomination bank notes (\$50s and \$100s) have been generally modest because Americans tend to use checks, credit or debit cards, or other noncash forms of payment for larger-dollar transactions. The introduction of a higher-denomination bank note saves printing and processing costs, but only to the extent that the public shifts its demand from \$100s to larger-denomination notes. Even if such a shift occurred, any savings would likely be minimal without a substantial reduction in the demand for other notes—\$1s through \$20s account for about 85 percent of the production of the BEP and more than 90 percent of the Federal Reserve's processing.

International demand for U.S. currency is influenced largely by the stability of foreign currencies, the confidence in the U.S. dollar as a stable currency backed by a strong economy, and the lack of any recall of U.S. currency. As I mentioned earlier, approximately two-thirds of U.S. currency is held internationally, but about three-fourths of the \$100 notes in circulation are held overseas. Foreign-

ers use high-denomination U.S. bank notes primarily for savings, but we also find that countries with transitioning economic and political environments use U.S. currency as a medium of exchange. Ultimately, we believe the strength and stability of our economy will continue to be the primary factors influencing international demand for U.S. currency. Thus, the introduction of a high-denomination U.S. bank note would likely produce minimal increases in demand for U.S. currency.

Although there are some benefits associated with a high-denomination bank note, the law enforcement community has expressed concern about the disproportionate use of large-denomination bank notes for illicit activity, including money laundering, drug trafficking, and tax evasion. In addition to making large-value transactions more efficient, a high-denomination note could inadvertently facilitate illegitimate transactions by making them more efficient as well. Such concerns prompted the Canadian government's recent proposal to cease issuing its \$1,000 bank note.

In weighing the marginal benefits of introducing a high-denomination U.S. bank note against law enforcement concerns about illegitimate activities, we do not foresee any immediate need to issue high-denomination notes.

We appreciate the opportunity to share our thoughts on these issues. □

Announcements

ACTION BY THE FEDERAL OPEN MARKET COMMITTEE AND AN INCREASE IN THE DISCOUNT RATE

The Federal Open Market Committee voted on March 21, 2000, to raise its target for the federal funds rate by 25 basis points to 6 percent. In a related action, the Board of Governors approved a 25 basis point increase in the discount rate to 5½ percent.

Economic conditions and considerations addressed by the Committee are essentially the same as when the Committee met in February. The Committee remains concerned that increases in demand will continue to exceed the growth in potential supply, which could foster inflationary imbalances that would undermine the economy's record economic expansion.

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee believes the risks are weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

In taking the discount rate action, the Federal Reserve Board approved requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco. Subsequently the Board approved a similar request by the board of directors of the Federal Reserve Bank of Dallas, effective March 23. The discount rate is the rate charged depository institutions when they borrow short-term adjustment credit from their District Federal Reserve Banks.

REGULATION Z: REVISIONS TO THE OFFICIAL STAFF COMMENTARY

The Federal Reserve Board on March 24, 2000, announced revisions to its Regulation Z (Truth in Lending) official staff commentary, which applies and interprets the requirements of the regulation.

The commentary revisions address cash advances commonly called "payday loans." The Board is also publishing technical corrections to the regulation and

commentary. The revisions are effective immediately. Compliance is optional until October 1, 2000, when it becomes mandatory.

AMENDMENTS TO THE INTERIM RULE REGARDING PROCEDURES FOR ELECTING TO BE TREATED AS A FINANCIAL HOLDING COMPANY

The Federal Reserve Board on March 15, 2000, announced amendments to its interim rule regarding procedures for bank holding companies and foreign banks to elect to be treated as financial holding companies. The interim rule was issued on January 19, 2000. The amendments announced on March 15 are effective immediately.

The Board has changed the procedures for processing elections filed by foreign banks to allow the use of the thirty-one-day notice procedure applicable to U.S. bank holding companies. The Board based its decision on its assessment of the comparability of the standards used in the first elections filed by foreign banks. Given this experience, the Board believes it can effectively perform its statutory responsibilities using a notice procedure. The Board also adopted several other amendments to the interim rule.

The Board will accept comments on these amendments until April 17, 2000.

INTERIM RULE LISTING FINANCIAL ACTIVITIES THAT WILL BE PERMISSIBLE FOR FINANCIAL HOLDING COMPANIES

The Federal Reserve Board on March 10, 2000, approved an interim rule, effective March 11, 2000, listing financial activities permissible for financial holding companies under the Gramm-Leach-Bliley Act.

The list will also help identify companies subject to the provisions of the act governing the privacy of customer information. The privacy provisions apply to a company doing a financial business regardless of whether the company is affiliated with a bank.

The interim rule, which amends Regulation Y (Bank Holding Companies and Change in Bank Control), establishes procedures for financial holding companies to engage in the listed financial activities. It also establishes procedures by which a party may ask the Board to list additional activities as financial in nature or as incidental to, or complementary to, a financial activity.

Comments are requested on the interim rule by May 12, 2000. The Board will revise it as appropriate after reviewing the comments.

INTERIM RULE PERMITTING QUALIFYING STATE MEMBER BANKS TO ESTABLISH FINANCIAL SUBSIDIARIES

The Federal Reserve Board on March 10, 2000, announced the approval of an interim rule permitting qualifying state member banks to establish financial subsidiaries and thereby engage in activities that have been determined to be financial in nature or incidental to financial activities. The interim rule establishes a streamlined notice procedure for state member banks that wish to acquire control of, or an interest in, a financial subsidiary. The Board's rule parallels that adopted by the Comptroller of the Currency for financial subsidiaries of national banks.

The interim rule is effective on March 11, 2000, the effective date of Title I of the Gramm-Leach-Bliley Act. Comments will be accepted on the interim rule until May 12, 2000. The Board will revise the interim rule as appropriate after reviewing the comments.

INTERIM RULE ON OPERATING STANDARDS FOR FINANCIAL HOLDING COMPANIES THAT HAVE SECURITIES AFFILIATES

The Federal Reserve Board on March 10, 2000, approved an interim rule that would apply two of eight operating standards that currently apply to bank holding companies that control so-called section 20 affiliates to financial holding companies authorized under the Gramm-Leach-Bliley Act that have securities affiliates. These two prudential provisions (1) require that intra-day extensions of credit to a securities firm from an affiliated bank or thrift institution or U.S. branch or agency of a foreign bank be on market terms consistent with section 23B of the Federal Reserve Act and (2) apply the limitations of sections 23A and 23B of the Federal Reserve Act to certain covered transactions between a U.S. branch

or agency of a foreign bank and a U.S. securities affiliate.

This interim rule will become effective on March 11, 2000. The Board requests comments on the interim rule by May 12, 2000, and will revise it as appropriate after reviewing comments.

All eight of the operating standards, as well as the Board's current 25 percent revenue test, will continue to apply to bank holding companies that control section 20 subsidiaries pursuant to section 4(c)(8) of the Bank Holding Company Act.

ELECTIONS TO BE TREATED AS FINANCIAL HOLDING COMPANIES

The Federal Reserve Board on March 13, 2000, announced that the elections to become or be treated as financial holding companies of 117 bank holding companies and foreign banking organizations were effective as of that date.

The Federal Reserve Board and the Secretary of the Treasury anticipate issuing shortly an interim rule governing the merchant banking activities of financial holding companies. Any financial holding company that engages in merchant banking activities will be expected to comply with the interim rule when it becomes effective.

The Federal Reserve Board announced on March 23, 2000, that the elections of 27 bank holding companies and foreign banking organizations to become or be treated as financial holding companies were effective on that date.

As they become effective, future financial holding company elections will be posted on the Board's public web site at www.federalreserve.gov/generalinfo/fhc/

INTERIM RULE GOVERNING THE MERCHANT BANKING ACTIVITIES OF FINANCIAL HOLDING COMPANIES

The Federal Reserve Board and the Secretary of the Treasury jointly announced on March 17, 2000, their approval of an interim rule governing the merchant banking activities of financial holding companies.

The interim rule implements the merchant banking provisions of the Financial Modernization Act. It includes provisions on recordkeeping and reporting; risk-management practices; holding periods for merchant banking investments; corporate separateness and limits on involvement in management; and limits on exposure of financial holding companies to mer-

chant banking investments. The interim rule was effective on March 17.

The Board also announced on March 17 that it is seeking public comment on a proposed rule, developed in consultation with the Secretary of the Treasury, that would govern the regulatory capital treatment for equity investments in nonfinancial companies held by bank holding companies. The proposed rule would generally impose a 50 percent capital requirement on merchant banking investments and certain similar investments.

Comments will be accepted on the interim rule and the capital proposal until May 22, 2000. The interim rule and the capital proposal will be revised as appropriate after the comments are reviewed.

INTERIM RULE ON AN ALTERNATIVE TO THE DEBT RATING REQUIREMENT FOR ESTABLISHING FINANCIAL SUBSIDIARIES

The Federal Reserve Board and the Secretary of the Treasury on March 14, 2000, announced their approval of an interim rule, effective March 14, 2000, establishing alternative criteria for debt ratings that certain large banks may satisfy to establish a financial subsidiary under the Financial Modernization Act.

Under the act, a national or state member bank ranked among the largest fifty insured banks may control a financial subsidiary only if the bank meets certain criteria, including having an issue of highly rated debt outstanding. The next fifty largest insured banks may control a financial subsidiary if they satisfy this debt rating requirement or an alternative requirement determined by the Treasury and the Federal Reserve. Under the interim rule, a bank meets the alternative requirement if it has a current long-term issuer credit rating from a nationally recognized statistical rating organization that is within the three highest investment-grade rating categories used by the rating organization.

Comments will be accepted on the interim rule until May 15, 2000.

ISSUANCE OF HOST STATE LOAN-TO-DEPOSIT RATIOS TO DETERMINE COMPLIANCE WITH SECTION 109 OF THE INTERSTATE ACT

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency on March 23, 2000, issued the host state loan-to-deposit ratios that the banking agencies will use to determine

compliance with section 109 of the Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994 (Interstate Act). These ratios update data released on September 3, 1999.

Section 109 prohibits any bank from establishing or acquiring a branch or branches outside its home state primarily for the purpose of deposit production and provides a process to test compliance with the statutory requirements. The Gramm–Leach–Bliley Act expanded the coverage of section 109 to include any branch of a bank controlled by an out-of-state bank holding company.

The first step in the process involves a loan-to-deposit ratio screen that compares a bank's statewide loan-to-deposit ratio with the host state loan-to-deposit ratio for banks in a particular state.

A second step is conducted if a bank's statewide loan-to-deposit ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step. The second step requires the banking agencies to determine if the bank is reasonably helping to meet the credit needs of the communities served by the bank's interstate branches.

A bank that fails both steps is in violation of section 109 and is subject to sanctions by the banking agencies.

ENFORCEMENT ACTIONS AND TERMINATIONS OF PREVIOUS ACTIONS

The Federal Reserve Board on March 3, 2000, announced the issuance of a prompt corrective action directive against the New Century Bank, Southfield, Michigan.

The Federal Reserve Board on March 9, 2000, announced the execution of a written agreement by and between Banco Popular de Puerto Rico, Hato Rey, Puerto Rico, and the Federal Reserve Bank of New York.

The Federal Reserve Board on March 17, 2000, announced the issuance of a consent order against Sunshine Financial and Frederick K. Wall, institution-affiliated parties of the First Western Bank, Cooper City, Florida, a state member bank.

The parties, without admitting to any allegations, consented to the order to resolve allegations that they violated the Change in Bank Control Act in connection with the acquisition of beneficial ownership of the shares of the bank.

The Federal Reserve Board on March 17, 2000, announced the issuance of an order of prohibition against Vinay B. Malhotra, a former vice president and officer of the Chicago Branch of The Bank of Tokyo-Mitsubishi, Ltd., Tokyo, Japan.

Mr. Malhotra, without admitting to any allegations, consented to the issuance of the order due to his alleged breach of fiduciary duties and misapplication of bank funds for his personal benefit.

The Federal Reserve Board on March 17, 2000, announced the issuance of a consent order against the R&T Foundation and James R. Sellers, institution-affiliated parties of the First Western Bank, Cooper City, Florida, a state member bank. The parties, without admitting to any allegations, consented to the order to resolve allegations that they violated the Change in Bank Control Act in connection with the acquisition of beneficial ownership of the shares of the bank.

The Federal Reserve Board on March 22, 2000, announced the execution of a written agreement by and between the Security Dollar Bank, Niles, Ohio, and the Federal Reserve Bank of Cleveland.

The Federal Reserve Board announced on March 13, 2000, that it had terminated the temporary orders to cease and desist issued against Banco Nacional de Mexico, Mexico City, Mexico; Banco Internacional, S.A., Mexico City, Mexico; and Banco Santander, Madrid, Spain.

The temporary orders to cease and desist were issued on May 18, 1998, in connection with Operation Casablanca, a law enforcement undercover operation that resulted in numerous convictions of drug traffickers, bankers, and two foreign banking organizations with operations in the United States for money-laundering offenses.

Banco Nacional de Mexico, Banco Internacional, S.A., and Banco Santander were not charged with any criminal activity in connection with Operation Casablanca.

The temporary orders to cease and desist required Banco Nacional de Mexico, Banco Internacional, S.A., and Banco Santander to enhance their anti-money-laundering policies and procedures in the United States. The banks have been in full compliance with the temporary orders.

PUBLICATION OF *GUIDE TO THE FLOW OF FUNDS ACCOUNTS*

A new edition of the comprehensive *Guide to the Flow of Funds Accounts* is now available from the Board of Governors. The 1,200-page publication, in two volumes, provides general information helpful in understanding and using the accounts and detailed information on the sources for derivation of data provided in the accounts.

The introductory section of the *Guide* (1) explains the principles underlying the construction of the accounts and the relationship of the accounts to the national income and product accounts; (2) describes the organization of the accounts into sectors in the U.S. economy and the financial transactions by which economic activity takes place; (3) illustrates analytical uses of the accounts; and (4) lists sources of data (including World Wide Web addresses) and methods of estimation and adjustment of the data.

The balance of the *Guide* consists of seventy-six explanatory tables that correspond to the flow tables in the Federal Reserve Board's publication of the flow of funds accounts, the Z.1 statistical release. The tables give—for each data series in each table—complete information on the source of the data or the methods for calculating the series along with recent annual data.

The *Guide* can be purchased, for \$20.00, from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202-452-3244 or 3245). □

Minutes of the Meeting of the Federal Open Market Committee Held on February 1–2, 2000

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, February 1, 2000, at 2:30 p.m. and continued on Wednesday, February 2, 2000, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Broadus
Mr. Ferguson
Mr. Gramlich
Mr. Gynn
Mr. Jordan
Mr. Kelley
Mr. Meyer
Mr. Parry

Mr. Hoenig, Ms. Minehan, Messrs. Moskowitz and Poole, Alternate Members of the Federal Open Market Committee

Messrs. Boehne, McTeer, and Stern, Presidents of the Federal Reserve Banks of Philadelphia, Dallas, and Minneapolis respectively

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Ms. Fox, Assistant Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Baxter, Deputy General Counsel
Ms. Johnson, Economist
Mr. Prell, Economist

Mr. Beebe, Ms. Cumming, Messrs. Eisenbeis, Goodfriend, Howard, Lindsey, Reinhart, Simpson, Sniderman, and Stockton, Associate Economists

Mr. Fisher, Manager, System Open Market Account

Mr. Winn,¹ Assistant to the Board, Office of Board Members, Board of Governors

Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors

Messrs. Madigan and Slifman, Associate Directors, Divisions of Monetary Affairs and Research and Statistics respectively, Board of Governors

Messrs. Oliner and Whitesell, Assistant Directors, Divisions of Research and Statistics and Monetary Affairs respectively, Board of Governors

Mr. Small,² Section Chief, Division of Monetary Affairs, Board of Governors

Messrs. Brayton,² Morton,³ and Rosine,³ Senior Economists, Divisions of Research and Statistics, International Finance, and Research and Statistics respectively, Board of Governors

Ms. Garrett and Mr. Hooker,³ Economists, Division of Monetary Affairs, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Ms. Browne, Messrs. Hakkio and Hunter, Ms. Krieger, Messrs. Lang, Rasche, Rolnick, and Rosenblum, Senior Vice Presidents, Federal Reserve Banks of Boston, Kansas City, Chicago, New York, Philadelphia, St. Louis, Minneapolis, and Dallas respectively

In the agenda for this meeting, it was reported that advices of the election of the following members and alternate members of the Federal Open Market Committee for the period commencing January 1, 2000, and ending December 31, 2000, had been received and that these individuals had executed their oaths of office.

The elected members and alternate members were as follows:

William J. McDonough, President of the Federal Reserve Bank of New York, with Jamie B. Stewart, Jr., First Vice President of the Federal Reserve Bank of New York, as alternate

1. Attended Tuesday's session only.

2. Attended portion of meeting relating to the staff presentation of policy alternatives.

3. Attended portion of meeting relating to the Committee's review of the economic outlook and consideration of its money and debt ranges for 2000.

J. Alfred Broaddus, Jr., President of the Federal Reserve Bank of Richmond, with Cathy E. Minehan, President of the Federal Reserve Bank of Boston, as alternate

Jerry L. Jordan, President of the Federal Reserve Bank of Cleveland, with Michael H. Moskow, President of the Federal Reserve Bank of Chicago, as alternate

Jack Guynn, President of the Federal Reserve Bank of Atlanta, with William Poole, President of the Federal Reserve Bank of St. Louis, as alternate

Robert T. Parry, President of the Federal Reserve Bank of San Francisco, with Thomas M. Hoenig, President of the Federal Reserve Bank of Kansas City, as alternate

By unanimous vote, the following officers of the Federal Open Market Committee were elected to serve until the election of their successors at the first meeting of the Committee after December 31, 2000, with the understanding that in the event of the discontinuance of their official connection with the Board of Governors or with a Federal Reserve Bank they would cease to have any official connection with the Federal Open Market Committee:

Alan Greenspan	Chairman
William J. McDonough	Vice Chairman
Donald L. Kohn	Secretary and Economist
Normand R.V. Bernard	Deputy Secretary
Lynn S. Fox	Assistant Secretary
Gary P. Gillum	Assistant Secretary
J. Virgil Mattingly, Jr.	General Counsel
Thomas C. Baxter, Jr.	Deputy General Counsel
Karen H. Johnson	Economist
Michael J. Prell	Economist

Jack H. Beebe, Christine Cumming, Robert A. Eisenbeis, Marvin S. Goodfriend, David H. Howard, David E. Lindsey, Vincent R. Reinhart, Thomas D. Simpson, Mark S. Sniderman, and David J. Stockton, Associate Economists

By unanimous vote, the Federal Reserve Bank of New York was selected to execute transactions for the System Open Market Account until the adjournment of the first meeting of the Committee after December 31, 2000.

By unanimous vote, Peter R. Fisher was selected to serve at the pleasure of the Committee as Manager, System Open Market Account, on the understanding that his selection was subject to being satisfactory to the Federal Reserve Bank of New York.

Secretary's note: Advice subsequently was received that the selection of Mr. Fisher as Manager was satisfactory to the board of directors of the Federal Reserve Bank of New York.

By unanimous vote, the Committee approved an addition to the Authorization for Domestic Open

Market Operations regarding adjustments to the stance of monetary policy during intermeeting periods. As had previously been agreed, the temporary authority given to the Federal Reserve Bank of New York to sell options to counter potential century-data-change pressures in financial markets was allowed to lapse. Accordingly, the Authorization was adopted, effective February 1, 2000, as shown below.

AUTHORIZATION FOR DOMESTIC OPEN MARKET OPERATIONS

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, to the extent necessary to carry out the most recent domestic policy directive adopted at a meeting of the Committee:

(a) To buy or sell U.S. Government securities, including securities of the Federal Financing Bank, and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States in the open market, from or to securities dealers and foreign and international accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the System Open Market Account at market prices, and, for such Account, to exchange maturing U.S. Government and Federal agency securities with the Treasury or the individual agencies or to allow them to mature without replacement; provided that the aggregate amount of U.S. Government and Federal agency securities held in such Account (including forward commitments) at the close of business on the day of a meeting of the Committee at which action is taken with respect to a domestic policy directive shall not be increased or decreased by more than \$12.0 billion during the period commencing with the opening of business on the day following such meeting and ending with the close of business on the day of the next such meeting;

(b) To buy U.S. Government securities and obligations that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States, from dealers for the account of the Federal Reserve Bank of New York under agreements for repurchase of such securities or obligations in 90 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual dealers; provided that in the event Government securities or agency issues covered by any such agreement are not repurchased by the dealer pursuant to the agreement or a renewal thereof, they shall be sold in the market or transferred to the System Open Market Account.

(c) To sell U.S. Government securities and obligations that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States to dealers for System Open Market Account under agreements for the resale by dealers of such securities or obligations in 90 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reason-

able limitations on the volume of agreements with individual dealers.

2. In order to ensure the effective conduct of open market operations, the Federal Open Market Committee authorizes the Federal Reserve Bank of New York to lend on an overnight basis U.S. Government securities held in the System Open Market Account to dealers at rates that shall be determined by competitive bidding but that in no event shall be less than 1.0 percent per annum of the market value of the securities lent. The Federal Reserve Bank of New York shall apply reasonable limitations on the total amount of a specific issue that may be auctioned, and on the amount of securities that each dealer may borrow. The Federal Reserve Bank of New York may reject bids which could facilitate a dealer's ability to control a single issue as determined solely by the Federal Reserve Bank of New York.

3. In order to ensure the effective conduct of open market operations, while assisting in the provision of short-term investments for foreign and international accounts maintained at the Federal Reserve Bank of New York, the Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York (a) for System Open Market Account, to sell U.S. Government securities to such foreign and international accounts on the bases set forth in paragraph 1(a) under agreements providing for the resale by such accounts of those securities within 90 calendar days on terms comparable to those available on such transactions in the market; and (b) for New York Bank account, when appropriate, to undertake with dealers, subject to the conditions imposed on purchases and sales of securities in paragraph 1(b), repurchase agreements in U.S. Government and agency securities, and to arrange corresponding sale and repurchase agreements between its own account and foreign and international accounts maintained at the Bank. Transactions undertaken with such accounts under the provisions of this paragraph may provide for a service fee when appropriate.

4. In the execution of the Committee's decision regarding policy during any intermeeting period, the Committee authorizes and directs the Federal Reserve Bank of New York, upon the instruction of the Chairman of the Committee, to adjust somewhat in exceptional circumstances the degree of pressure on reserve positions and hence the intended federal funds rate. Any such adjustment shall be made in the context of the Committee's discussion and decision at its most recent meeting and the Committee's long-run objectives for price stability and sustainable economic growth, and shall be based on economic, financial, and monetary developments during the intermeeting period. Consistent with Committee practice, the Chairman, if feasible, will consult with the Committee before making any adjustment.

With Mr. Broadus dissenting, the Authorization for Foreign Currency Operations and the Foreign Currency Directive were reaffirmed in the forms shown below.

AUTHORIZATION FOR FOREIGN CURRENCY OPERATIONS

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, for System

Open Market Account, to the extent necessary to carry out the Committee's foreign currency directive and express authorizations by the Committee pursuant thereto, and in conformity with such procedural instructions as the Committee may issue from time to time:

A. To purchase and sell the following foreign currencies in the form of cable transfers through spot or forward transactions on the open market at home and abroad, including transactions with the U.S. Treasury, with the U.S. Exchange Stabilization Fund established by Section 10 of the Gold Reserve Act of 1934, with foreign monetary authorities, with the Bank for International Settlements, and with other international financial institutions:

Canadian dollars	Mexican pesos
Danish kroner	Norwegian kroner
Euro	Swedish kronor
Pounds sterling	Swiss francs
Japanese yen	

B. To hold balances of, and to have outstanding forward contracts to receive or to deliver, the foreign currencies listed in paragraph A above.

C. To draw foreign currencies and to permit foreign banks to draw dollars under the reciprocal currency arrangements listed in paragraph 2 below, provided that drawings by either party to any such arrangement shall be fully liquidated within 12 months after any amount outstanding at that time was first drawn, unless the Committee, because of exceptional circumstances, specifically authorizes a delay.

D. To maintain an overall open position in all foreign currencies not exceeding \$25.0 billion. For this purpose, the overall open position in all foreign currencies is defined as the sum (disregarding signs) of net positions in individual currencies. The net position in a single foreign currency is defined as holdings of balances in that currency, plus outstanding contracts for future receipt, minus outstanding contracts for future delivery of that currency, i.e., as the sum of these elements with due regard to sign.

2. The Federal Open Market Committee directs the Federal Reserve Bank of New York to maintain reciprocal currency arrangements ("swap" arrangements) for the System Open Market Account for periods up to a maximum of 12 months with the following foreign banks, which are among those designated by the Board of Governors of the Federal Reserve System under Section 214.5 of Regulation N, Relations with Foreign Banks and Bankers, and with the approval of the Committee to renew such arrangements on maturity:

Foreign bank	Amount of arrangement (millions of dollars equivalent)
Bank of Canada	2,000
Bank of Mexico	3,000

Any changes in the terms of existing swap arrangements, and the proposed terms of any new arrangements that may be authorized, shall be referred for review and approval to the Committee.

3. All transactions in foreign currencies undertaken under paragraph 1A. above shall, unless otherwise expressly authorized by the Committee, be at prevailing market rates.

For the purpose of providing an investment return on System holdings of foreign currencies, or for the purpose of adjusting interest rates paid or received in connection with swap drawings, transactions with foreign central banks may be undertaken at non-market exchange rates.

4. It shall be the normal practice to arrange with foreign central banks for the coordination of foreign currency transactions. In making operating arrangements with foreign central banks on System holdings of foreign currencies, the Federal Reserve Bank of New York shall not commit itself to maintain any specific balance, unless authorized by the Federal Open Market Committee. Any agreements or understandings concerning the administration of the accounts maintained by the Federal Reserve Bank of New York with the foreign banks designated by the Board of Governors under Section 214.5 of Regulation N shall be referred for review and approval to the Committee.

5. Foreign currency holdings shall be invested to ensure that adequate liquidity is maintained to meet anticipated needs and so that each currency portfolio shall generally have an average duration of no more than 18 months (calculated as Macaulay duration). When appropriate in connection with arrangements to provide investment facilities for foreign currency holdings, U.S. Government securities may be purchased from foreign central banks under agreements for repurchase of such securities within 30 calendar days.

6. All operations undertaken pursuant to the preceding paragraphs shall be reported promptly to the Foreign Currency Subcommittee and the Committee. The Foreign Currency Subcommittee consists of the Chairman and Vice Chairman of the Committee, the Vice Chairman of the Board of Governors, and such other member of the Board as the Chairman may designate (or in the absence of members of the Board serving on the Subcommittee, other Board members designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee, his alternate). Meetings of the Subcommittee shall be called at the request of any member, or at the request of the Manager, System Open Market Account ("Manager"), for the purposes of reviewing recent or contemplated operations and of consulting with the Manager on other matters relating to his responsibilities. At the request of any member of the Subcommittee, questions arising from such reviews and consultations shall be referred for determination to the Federal Open Market Committee.

7. The Chairman is authorized:

A. With the approval of the Committee, to enter into any needed agreement or understanding with the Secretary of the Treasury about the division of responsibility for foreign currency operations between the System and the Treasury;

B. To keep the Secretary of the Treasury fully advised concerning System foreign currency operations, and to consult with the Secretary on policy matters relating to foreign currency operations;

C. From time to time, to transmit appropriate reports and information to the National Advisory Council on International Monetary and Financial Policies.

8. Staff officers of the Committee are authorized to transmit pertinent information on System foreign currency operations to appropriate officials of the Treasury Department.

9. All Federal Reserve Banks shall participate in the foreign currency operations for System Account in accordance with paragraph 3 G(1) of the Board of Governors' Statement of Procedure with Respect to Foreign Relationships of Federal Reserve Banks dated January 1, 1944.

FOREIGN CURRENCY DIRECTIVE

1. System operations in foreign currencies shall generally be directed at countering disorderly market conditions, provided that market exchange rates for the U.S. dollar reflect actions and behavior consistent with the IMF Article IV, Section 1.

2. To achieve this end the System shall:

A. Undertake spot and forward purchases and sales of foreign exchange.

B. Maintain reciprocal currency ("swap") arrangements with selected foreign central banks.

C. Cooperate in other respects with central banks of other countries and with international monetary institutions.

3. Transactions may also be undertaken:

A. To adjust System balances in light of probable future needs for currencies.

B. To provide means for meeting System and Treasury commitments in particular currencies and to facilitate operations of the Exchange Stabilization Fund.

C. For such other purposes as may be expressly authorized by the Committee.

4. System foreign currency operations shall be conducted:

A. In close and continuous consultation and cooperation with the United States Treasury;

B. In cooperation, as appropriate, with foreign monetary authorities; and

C. In a manner consistent with the obligations of the United States in the International Monetary Fund regarding exchange arrangements under the IMF Article IV.

Mr. Broadus dissented in the votes on the Authorization and the Directive because they provide the foundation for foreign exchange market intervention. He continued to believe that the Federal Reserve's participation in foreign exchange market intervention compromises its ability to conduct monetary policy effectively. Because sterilized intervention cannot have sustained effects in the absence of conforming monetary policy actions, Federal Reserve participation in foreign exchange operations in his view risks one of two undesirable outcomes. First, the independence of monetary policy is jeopardized if the System adjusts its policy actions to support short-term foreign exchange objectives set by the U.S. Treasury. Alternatively, the credibility of monetary policy is damaged if the System does not follow interventions with compatible policy actions, the interventions consequently fail to achieve their objectives, and the

System is associated in the mind of the public with the failed operations.

By unanimous vote, the Procedural Instructions with Respect to Foreign Currency Operations, in the form shown below, were reaffirmed.

PROCEDURAL INSTRUCTIONS WITH RESPECT TO FOREIGN CURRENCY OPERATIONS

In conducting operations pursuant to the authorization and direction of the Federal Open Market Committee as set forth in the Authorization for Foreign Currency Operations and the Foreign Currency Directive, the Federal Reserve Bank of New York, through the Manager, System Open Market Account ("Manager"), shall be guided by the following procedural understandings with respect to consultations and clearances with the Committee, the Foreign Currency Subcommittee, and the Chairman of the Committee. All operations undertaken pursuant to such clearances shall be reported promptly to the Committee.

1. The Manager shall clear with the Subcommittee (or with the Chairman, if the Chairman believes that consultation with the Subcommittee is not feasible in the time available):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding \$300 million on any day or \$600 million since the most recent regular meeting of the Committee.

B. Any operation that would result in a change on any day in the System's net position in a single foreign currency exceeding \$150 million, or \$300 million when the operation is associated with repayment of swap drawings.

C. Any operation that might generate a substantial volume of trading in a particular currency by the System, even though the change in the System's net position in that currency might be less than the limits specified in 1.B.

D. Any swap drawing proposed by a foreign bank not exceeding the larger of (i) \$200 million or (ii) 15 percent of the size of the swap arrangement.

2. The Manager shall clear with the Committee (or with the Subcommittee, if the Subcommittee believes that consultation with the full Committee is not feasible in the time available, or with the Chairman, if the Chairman believes that consultation with the Subcommittee is not feasible in the time available):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding \$1.5 billion since the most recent regular meeting of the Committee.

B. Any swap drawing proposed by a foreign bank exceeding the larger of (i) \$200 million or (ii) 15 percent of the size of the swap arrangement.

3. The Manager shall also consult with the Subcommittee or the Chairman about proposed swap drawings by the System and about any operations that are not of a routine character.

On January 19, 2000, the continuing rules, regulations, and other instructions of the Committee were

distributed with the advice that, in accordance with procedures approved by the Committee, they were being called to the Committee's attention before the February 1–2 organization meeting to give members an opportunity to raise any questions they might have concerning them. Members were asked to indicate if they wished to have any of the instruments in question placed on the agenda for consideration at this meeting.

The Rules of Procedure were placed on the agenda and by unanimous vote the Committee approved updating changes, effective upon publication in the Federal Register. The changes relate to electronic and telephone communications.

Secretary's note: The revised Rules of Procedure were published in the Federal Register on February 9, 2000.

By unanimous vote, the Program for Security of FOMC Information was amended with regard to certain security classifications and staff access to confidential FOMC information.

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on December 21, 1999, were approved.

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets. There were no open market operations in foreign currencies for the System's account in the period since the previous meeting, and thus no vote was required of the Committee.

The Manager also reported on developments in domestic financial markets and on System open market transactions in government securities and federal agency obligations during the period December 21, 1999, to February 1, 2000. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic and financial outlook, the ranges for the growth of money and debt in 2000, and the implementation of monetary policy over the intermeeting period ahead.

The information reviewed at this meeting suggested that economic activity had expanded rapidly in recent months. Consumer spending had remained very brisk, business fixed investment had continued on a strong upward trend, and housing demand was still at a relatively high level despite some slippage recently. The growth of domestic demand had been met in part through further advances in imports. Domestically, industrial production and nonfarm payrolls had continued to increase briskly. Despite very tight labor markets, labor costs had been climbing more slowly than in 1998. Consumer price inflation

had stayed moderate over the past few months, despite a recent resurgence in energy prices.

Labor demand remained robust through year-end, as nonfarm payroll employment posted a further large increase in December. Job growth in the services industry was brisk, construction hiring rose somewhat further against a backdrop of good weather and project backlogs, and manufacturing employment was essentially unchanged. The civilian unemployment rate held at 4.1 percent in December, its low for the year, and initial claims for unemployment insurance persisted at a very low level through late January.

Industrial production recorded a sharp advance in the fourth quarter. Manufacturing and mining output rose briskly, but utilities output was held down by lackluster demand during a period of unseasonably warm weather in several parts of the country. Output gains in manufacturing were widespread and the factory operating rate rose further, though capacity utilization was still a little below its long-term average.

Consumer spending apparently was very robust in the fourth quarter. Total nominal retail sales rose sharply further in December, with outlets for durable and nondurable goods recording substantial gains in sales. Expenditures related to Y2K concerns appeared to have been relatively limited. Outlays for services in October and November (latest data) were strong, even though spending for heating was down in response to the unseasonably warm weather.

Housing activity was still at a relatively high level at year-end, buoyed by continuing strong gains in jobs and incomes despite the rise that had occurred in mortgage interest rates. Total private housing starts rebounded sharply in December from a decline in November, although part of the December pickup might have been associated with favorable weather patterns. Sales of new homes fell in November (latest data), reversing much of the sizable October rise, but average sales for the two-month period were only slightly below their strong rate of the first half of the year. Sales of existing homes were down in December, but they also were only a little below their elevated first-half pace.

The available information suggested that growth of business spending for durable equipment slowed abruptly in the fourth quarter and that investment in nonresidential structures fell further. At least some of the deceleration in spending for capital equipment reflected a hesitancy to spend on computers and other high-tech equipment just in advance of the century rollover. The weakness in the nonresidential sector was evidenced by further declines in construction outlays and new building contracts in October and

November. Office construction appeared to be leveling off in response to the higher cost of financing and to perceptions that the office space currently coming on line would be sufficient to meet demand.

The book value of manufacturing and trade inventories surged in November after having climbed moderately on balance earlier in the year. Even though the rise might have been related to concerns about supply disruptions around year-end, inventory-sales ratios generally declined a little in association with very strong increases in sales, and the ratios were at or near the bottom of their ranges for the previous twelve months.

The U.S. trade deficit in goods and services widened significantly over the October–November period from its average for the third quarter. The value of exports rose appreciably over the two months, largely reflecting growth in industrial supplies and service receipts, but the value of imports increased noticeably more, with some of the rise reflecting increases in import prices. The available information suggested that economic expansion remained robust in most foreign industrial nations. In Japan, however, economic activity was sluggish, with a seemingly small rise in the fourth quarter following a third-quarter decline. Economic activity in the developing countries apparently continued to pick up in recent months, although the pace of recovery varied widely. Economic growth appeared to have been brisk in Mexico, Korea, China, Hong Kong, and Taiwan but was mixed among the ASEAN countries and slower in Brazil.

Price inflation had remained moderate in recent months. Consumer price inflation was subdued in December in spite of a sizable increase in energy prices; however, for the year as a whole, sharp increases in energy prices noticeably boosted overall consumer inflation. Excluding the volatile energy component, consumer price inflation slowed somewhat in 1999. By contrast, the subdued rise in the core PCE chain price index in 1999 was essentially the same as in 1998. At the producer level, prices of finished goods other than food and energy changed little in December and registered a considerably reduced increase in 1999. At earlier stages of processing, however, core producer prices recorded somewhat larger advances than those for finished goods in December and for the year. With regard to labor costs, average hourly earnings rose by a larger amount in December than in November, but the increase in this measure in 1999 was about the same as for 1998.

At its meeting on December 21, the Committee adopted a directive that called for maintaining condi-

tions in reserve markets consistent with an unchanged federal funds rate of about 5½ percent and that did not contain any bias relating to the direction of possible adjustments to policy during the intermeeting period. The members noted that such a directive, which suggested that they did not expect a further change in policy before the February meeting, should foster steady conditions in financial markets during the sensitive century-date-change period. The Committee also agreed, however, that the statement accompanying the announcement of its decision would note that the Committee was especially concerned about the potential for inflation pressures to increase and would want to consider at its February meeting whether policy action would be needed to contain such pressures.

Open market operations during the intermeeting period were directed toward maintaining the federal funds rate at around 5½ percent. The funds rate averaged close to the Committee's target over the intermeeting interval despite very strong demands for additional currency and market liquidity through the year-end and a rapid unwinding thereafter. Against the background of the Committee's announced concern about the inflationary implications of unsustainably rapid economic growth, incoming information suggesting that aggregate demand retained considerable momentum led to upward pressure on market interest rates once the century-date-change period had passed without incident. The effects of higher interest rates apparently offset those of unexpectedly high corporate earnings, and most broad stock market indexes fell slightly on balance over the intermeeting period.

In foreign exchange markets, the trade-weighted value of the dollar was up on balance over the intermeeting interval in relation to indexes of major foreign currencies and those of other important U.S. trading partners. Reflecting market expectations of substantial Federal Reserve tightening, the dollar appreciated considerably against the yen and the euro while depreciating somewhat against the Canadian dollar.

M2 growth picked up appreciably during December and January, evidently reflecting extra demands for liquidity and safety during the century-date-change period. M3 accelerated by even more than M2 in December. Its non-M2 component ballooned as banks issued substantial volumes of large time deposits to meet very high credit demands and as institutional money market funds became recipients of some of their customers' precautionary liquid balances. From the fourth quarter of 1998 through the fourth quarter of 1999, M2 and M3 increased at rates

somewhat above the Committee's annual ranges for 1999. Total domestic nonfinancial debt expanded in 1999 at a pace in the upper portion of its range.

The staff forecast prepared for this meeting suggested that the expansion would gradually moderate from its currently elevated pace to a rate around or perhaps a little below the growth of the economy's estimated potential. The expansion of domestic final demand increasingly would be held back by the anticipated waning of positive wealth effects associated with earlier large gains in equity prices and by higher interest rates. As a result, growth of spending on consumer durables and houses was expected to slow; in contrast, however, overall business investment in equipment and software was projected to strengthen in response to the upward trend in replacement demand, especially for computers and software; also, continued solid economic growth abroad was expected to boost the growth of U.S. exports for some period ahead. Core price inflation was projected to rise somewhat over the forecast horizon, partly as a result of higher import prices and some firming of gains in nominal labor compensation in persistently tight labor markets that would not be fully offset by productivity growth.

In the Committee's review of current and prospective economic developments, members commented that the economy still seemed to be growing very vigorously as it entered the new year, while core inflation remained subdued. The members were concerned, however, that recent trends in economic activity, if they continued, might undermine the economy's remarkable performance. The economy's potential to produce goods and services had been accelerating over time, but the demand for output had been growing even more strongly. If this imbalance continued, inflationary pressures were likely to build that would interfere with the economy's performance and could lead to a disruptive adjustment in economic activity. Accelerating productivity, although adding to the growth of the economy's potential output, also had induced expectations of rapidly accelerating business earnings that in turn had generated sharp increases in stock market wealth and lifted the growth of purchasing power and spending above that in incomes. Relatively high real interest rates that reflected the increased productivity and damped the rise in asset values would be needed to help restore balance. In that regard, members questioned whether rates would be high enough without policy tightening to bring the growth of demand in line with that of supply and contain pressures in labor markets. In the view of some members, taut labor markets together with a turnaround in some of the factors that

had been temporarily damping inflation, such as oil and import prices, already lent an upward bias to the inflation outlook, and all agreed that a significant further tightening of labor resource utilization would appreciably raise the risk of deterioration in the underlying inflation picture over time.

In keeping with the practice at meetings preceding the Federal Reserve's semiannual report to Congress on the economy and monetary policy and the Chairman's associated testimony, the members of the Committee and the Federal Reserve Bank presidents not currently serving as members had prepared individual projections of the growth in nominal and real GDP, the rate of unemployment, and the rate of inflation for the year 2000. The forecasts of the growth of nominal GDP were concentrated in a range of $5\frac{1}{4}$ to $5\frac{1}{2}$ percent, and for the rate of expansion in real GDP they had a central tendency of $3\frac{1}{2}$ to $3\frac{3}{4}$ percent. Growth at these rates was expected to hold the civilian unemployment rate in a range of 4 to $4\frac{1}{4}$ percent in the fourth quarter of 2000. The central tendency of the projections of inflation for 2000—as measured by the chain price index for personal consumption expenditures—encompassed a range of $1\frac{3}{4}$ to 2 percent, on the low side of the 2 percent rise in this index experienced in 1999 when energy prices had surged.

Mirroring developments in the overall economy, reports of economic conditions in the individual Federal Reserve districts continued to display broad-based strength, apart from softness in construction activity in some areas and weakness in agriculture. Retail sales appeared to have strengthened further during the opening weeks of the new year after a surge during the holiday season. Motor vehicle sales in particular had continued to hold up at a remarkably high level. Consumption was being supported by robust growth in jobs and incomes, very high levels of consumer confidence, and the lagged wealth effects from earlier advances in stock market prices. Even so, growth in consumer spending was thought likely to moderate over time to a pace more in line with the expansion in consumer incomes, unless the stock market posted large further increases from current levels. As the experience of recent years had amply demonstrated, however, the future course of stock market prices was highly uncertain, and equity markets had shown a remarkable resilience to higher interest rates as earning prospects continued to be marked up in association with the acceleration in productivity.

Opportunities to enhance profits by using new technology were likely to lead to robust further growth in business fixed investment, boosted mainly by spend-

ing for equipment and software over the year ahead. While the huge amount of capital deepening already accomplished in recent years and the projected deceleration in aggregate demand were negative factors in the outlook for business capital spending, they were likely to be overridden by persisting declines in the prices of high-tech equipment and the rising importance of replacement demand that was associated with relatively short-lived investments in high-tech equipment and computer software that had tended to characterize the buildup in business equipment in recent years. With regard to other types of investment, spending on nonresidential business structures appeared to be softening in many areas and would tend to hold down the growth in overall business expenditures for capital. However, spending by state and local governments on roadbuilding and other projects appeared to be on a robust uptrend.

Housing construction was expected to remain at a relatively elevated level, albeit below recent peaks, as a consequence of moderating demand stemming from higher mortgage interest rates and indications of overbuilding in some areas. Members also noted, however, that building activity in some parts of the country was still being held back by shortages of skilled construction workers and scarcities of some building supplies. The resulting backlogs along with low inventories of houses in some areas were factors that should limit the expected decline in residential construction this year. Moreover, many homebuyers were shifting from fixed-rate long-term mortgages to currently lower-cost adjustable rate mortgages. More fundamentally, however, the income and wealth effects that were boosting household expenditures generally should help to sustain a perhaps somewhat diminished but still high level of homebuilding activity for a while, despite higher mortgage financing costs.

Rapid increases in U.S. exports in conjunction with the strengthening of foreign economies were likely to add to demands on domestic producers. Consistent with this outlook, several members cited anecdotal reports of improving foreign markets, notably in East Asian countries. At the same time, despite some expected deceleration in imports as domestic demand moderated, the nation's trade deficit was projected to increase somewhat further over the year ahead. There was a risk that, as global portfolios came to be increasingly weighted toward dollar assets, expected returns on those assets would need to rise to attract world savings, with much of the adjustment potentially occurring through a decline in the exchange rate of the dollar that would add to pressures on U.S. prices.

Concerning the outlook for inflation, the members continued to see the risks as primarily tilted toward rising inflationary pressures, though they anticipated that further gains in productivity would hold down increases in unit labor costs and prices, at least over the nearer term. A key issue was whether growth in aggregate demand would moderate sufficiently to at least avoid greater pressures on what were already very tight labor markets. In this regard, several cited recent statistical and anecdotal evidence of larger increases in labor compensation, although unit labor costs did not appear to be trending higher at this point. However, some nonlabor input prices already were rising faster. The prospects for energy prices were very difficult to predict, but even if such prices were to stabilize, the passthrough of the large earlier increases into inflation and wage expectations, as well as into the prices of products that were heavily energy dependent, was likely to exert some upward pressure on prices throughout the economy.

On the positive side for the near-term inflation outlook, there was no evidence that the acceleration in productivity was coming to an end. Members commented in this regard that business firms across the country were continuing to improve the efficiency of their operations in a variety of ways in order to hold down costs. These efforts included persistingly large investments in new equipment, rationalization of business organizations, and training or retraining existing workers for more demanding or new tasks. Members also noted that longer-run inflation expectations generally did not appear to be worsening, though there had been a slight widening of the spread between nominal and inflation-indexed Treasury bond yields. While there seemed to be an increasing number of exceptions, business contacts continued to report that raising their prices was very difficult to carry out successfully and often impossible. On balance, the outlook for inflation remained subject to a marked degree of uncertainty. Given current levels of resource use and the strength of the economic expansion relative to the growth of the economy's long-run potential, however, the members expected that inflation pressures would gather some momentum over time unless financial conditions became tighter.

In keeping with the requirements of the Full Employment and Balanced Growth Act of 1978 (the Humphrey-Hawkins Act), the Committee reviewed at this meeting the ranges for growth of the monetary and debt ranges that it had established on a tentative basis in June 1999. The tentative ranges approved in June for the period from the fourth quarter of 1999 to the fourth quarter of 2000 included growth of 1 to 5 percent for M2, 2 to 6 percent for

M3, and 3 to 7 percent for total domestic nonfinancial debt.

All but one of the members favored the adoption of the ranges that had been selected on a tentative basis at the meeting in June. They noted that for some years the ranges for monetary growth had been chosen to encompass rates of increase that would be expected under conditions of price stability, assuming historical velocity relationships. This approach had been adopted partly as a result of the substantial unreliability of the linkage between the growth of the broad monetary aggregates and economic performance. Since the current benchmark ranges had first been adopted in the mid-1990s, however, structural productivity growth had increased substantially, raising the expected rate of growth of money at price stability, other things equal. One member supported a proposal to adjust the monetary growth ranges upward by at least enough to reflect this development. However, other members emphasized the uncertainties about the dimensions of this new trend in productivity growth, the measured rate of increase in prices that would be consistent with reasonable price stability, and the long-run behavior of velocity. They felt that raising the benchmark ranges risked misleading the public about the Committee's confidence in the implied values for these variables going forward, about the Committee's determination to pursue its fundamental objectives of price stability and sustainable economic expansion, and about the very low weight most Committee members continued to place on the monetary aggregates in policy deliberations owing to the uncertainties surrounding them.

At the conclusion of this discussion, the Committee voted to approve without change the ranges for 2000 that it had established on a tentative basis on June 30, 1999. With Mr. Meyer dissenting, the following statement of longer-run policy and growth ranges for 2000 was approved for inclusion in the domestic policy directive:

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 1 to 5 percent and 2 to 6 percent respectively, measured from the fourth quarter of 1999 to the fourth quarter of 2000. The range for growth of total domestic nonfinancial debt was set at 3 to 7 percent for the year. The behavior of the monetary aggregates will continue to be evaluated in the light of movements in their velocities and developments in prices, the economy, and financial markets.

Votes for this action: Messrs. Greenspan, McDonough, Broadbuss, Ferguson, Gramlich, Guynn, Jordan, Kelley, and Parry. Vote against this action: Mr. Meyer.

In dissenting, Mr. Meyer noted that although the money growth ranges do not play an important role in the conduct of monetary policy today, the Congress has mandated that the FOMC set and report ranges for money and credit growth. In recent years, the money ranges have been set to be consistent with price stability and normal velocity behavior. The rate of money growth consistent with price stability depends on the average growth of real GDP. Therefore, when there is a significant increase in the projected average growth rate in real GDP, money growth ranges should be adjusted upward so that they remain consistent with price stability. While considerable uncertainty remains about the average rate of growth in real GDP, there is a strong consensus that it is significantly higher today than when the target ranges were set at their current values. The failure to adjust monetary aggregate ranges makes them less useful signals of Federal Reserve intentions. As long as the Federal Reserve is required to set and report ranges for money and debt growth, it should update them as appropriate.

In the Committee's discussion of policy for the upcoming intermeeting period, all the members supported a proposal to tighten reserve conditions by a modest amount consistent with an increase in the federal funds rate of $\frac{1}{4}$ percentage point to a level of $5\frac{3}{4}$ percent. The Committee's decision to tighten its policy stance was intended to help bring the growth of aggregate demand into better alignment with the expansion of sustainable aggregate supply in an effort to avert rising inflationary pressures in the economy. Relatively high real interest rates would be required to accomplish this objective, given the effects of increasing productivity and profits on the demand for capital goods and, through the wealth effect, on consumption spending. Private long-term rates already had risen considerably, but whether they had reached a level that would lead to a rebalancing of demand and supply was an open question. Moreover, these rates already encompassed expectations of a tightening of monetary policy at this and several subsequent meetings. For a number of reasons, including uncertainties about the outlook for the expansion of aggregate demand in relation to that of potential supply, the economy's response to the Committee's earlier policy actions, and the recently somewhat unsettled conditions in financial markets, a majority of the members expressed a preference for a limited policy move at this time. As long as inflation and inflation expectations remained damped, these members saw little risk in a gradual approach to policy tightening and considerable advantage to preserving the possibility of calibrating those actions to the emerging

situation. A few members expressed a preference for an increase of 50 basis points in the federal funds rate in order to provide greater assurance against a buildup of inflationary expectations and inflation over coming months. Other members acknowledged that the Committee might need to move more aggressively at a later meeting should imbalances continue to build and inflation and inflation expectations clearly begin to pick up.

The members agreed that the statement to be issued after this meeting should highlight their view that even after their firming today the risks remained weighted mainly in the direction of rising inflation pressures. There were few signs thus far that the rise in interest rates over recent quarters was restraining demand in line with potential supply, and the members generally agreed that further tightening actions might well be needed to ensure that financial conditions had adjusted sufficiently to rising productivity growth to forestall escalating pressures on labor costs and prices. With the cushion of unutilized labor resources having dwindled over recent years and with the willingness of global investors to continue to acquire dollar assets to finance major further increases in imports at current interest and exchange rates in question, the need to achieve the appropriate financial and economic balance had become more pressing. In the circumstances, it was important for the public to understand that the Committee saw inflation risks as persisting even after today's action. At the conclusion of this discussion, members who favored a 50 basis point increase indicated that, in light of the clear intention of the Committee to act, if necessary, in a timely manner to contain inflation, the contemplated inclusion of a statement about the risks of higher inflation in the press release for this meeting, and the likelihood that the Board of Governors would approve a 25 basis point increase in the discount rate later in the day, they could accept a 25 basis point rise in the federal funds rate.

At the conclusion of this discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following policy directive:

To further the Committee's long-run objectives of price stability and sustainable economic growth, the Committee in the immediate future seeks conditions in reserve markets consistent with increasing the federal funds rate to an average of around $5\frac{3}{4}$ percent.

The vote also encompassed approval of the sentence below for inclusion in the press statement to be released shortly after the meeting:

Against the background of its long-run goals of price stability and sustainable economic growth and of the infor-

mation currently available, the Committee believes the risks are weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Broadus, Ferguson, Gramlich, Gynn, Jordan, Kelley, Meyer, and Parry. Votes against this action: None.

The meeting was recessed briefly after this vote, and the members of the Board of Governors left the room to vote on pending increases in the discount rate at several Federal Reserve Banks. On the Board members' return, Chairman Greenspan announced that the Board had approved a $\frac{1}{4}$ percentage point increase in the discount rate. The Committee concluded its meeting with a review of the press release announcing the joint policy action.

The members noted with deep regret the recent death of Frank E. Morris, former president of the Federal Reserve Bank of Boston and a member of the Committee over the course of twenty years before his retirement at the end of 1988. Mr. Morris is remembered as a highly respected colleague and friend who made outstanding contributions to the work of the Committee, the Federal Reserve Bank of Boston, and the Federal Reserve System more generally.

It was agreed that the next meeting of the Committee would be held on Tuesday, March 21, 2000.

The meeting adjourned at 11:50 a.m. on February 2, 2000.

Donald L. Kohn
Secretary

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors is amending 12 C.F.R. Part 201, its Regulation A (Extensions of Credit by Federal Reserve Banks), to reflect its approval of an increase in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

Effective March 21, 2000, 12 C.F.R. Part 201 is amended as follows:

Part 201—Extensions of Credit by Federal Reserve Banks (Regulation A)

1. The authority citation for 12 C.F.R. Part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

Section 201.51—Adjustments credit for depository institutions

The rates for adjustment credit provided to depository institutions under section 201.3(a) are:

<i>Federal Reserve Bank</i>	<i>Rate</i>	<i>Effective</i>
Boston	5.5	March 21, 2000
New York	5.5	March 21, 2000
Philadelphia	5.5	March 21, 2000
Cleveland	5.5	March 21, 2000
Richmond	5.5	March 21, 2000
Atlanta	5.5	March 21, 2000
Chicago	5.5	March 21, 2000
St. Louis	5.5	March 22, 2000
Minneapolis	5.5	March 21, 2000
Kansas City	5.5	March 21, 2000
Dallas	5.5	March 23, 2000
San Francisco	5.5	March 21, 2000

FINAL RULE—AMENDMENT TO REGULATION Z

The Board of Governors is amending 12 C.F.R. Part 226, its Regulation Z (Truth in Lending), to reflect revisions addressing short-term cash advances commonly called “payday loans.” The Board is also publishing technical corrections to the commentary and regulation.

Effective March 24, 2000, 12 C.F.R. Part 226 is amended as follows:

Part 226—Truth in Lending (Regulation Z)

1. The authority citation for Part 226 continues to read as follows:

Authority: 12 U.S.C. 3806; 15 U.S.C. 1604 and 1637(c)(5).

Subpart B—Open-End Credit

2. Section 226.5a(a)(3) is revised to read as follows:

Section 226.5a—Credit and charge card applications and solicitations

- (a) * * *

- (3) *Exceptions.* This section does not apply to home-equity plans accessible by a credit or charge card that are of the type subject to the requirements of section 226.5b; overdraft lines of credit tied to asset accounts accessed by check-guarantee cards or by debit cards; or lines of credit accessed by check-guarantee cards or by debit cards that can be used only at automated teller machines.

* * * * *

3. In section 226.12, paragraph (g) is revised to read as follows:

Section 226.12—Special credit card provisions

* * * * *

- (g) *Relation to Electronic Fund Transfer Act and Regulation E.* For guidance on whether Regulation Z (12 C.F.R. Part 226) or Regulation E (12 C.F.R. Part 205) applies in instances involving both credit and electronic fund transfer aspects, refer to Regulation E, 12 C.F.R. 205.12(a) regarding issuance and liability for unauthorized use. On matters other than issuance and liability, this section applies to the credit aspects of combined credit/electronic fund transfer transactions, as applicable.

4. In Supplement I to Part 226:

- a. Under *Section 226.2-Definitions and Rules of Construction*, under 2(a)(14) *Credit*, paragraph 2. is added.
- b. Under *Section 226.13-Billing Error Resolution*, under 13(i) *Relation to Electronic Fund Transfer Act and Regulation E*, paragraph 3. is revised.
- c. Under *Section 226.19-Certain Residential Mortgage and Variable-Rate Transactions*, under 19(b) *Certain variable-rate transactions*, paragraph 5. is revised.
- d. Under *Section 226.19-Certain Residential Mortgage and Variable-Rate Transactions*, under Paragraph 19(b)(2), paragraph 4. is amended by removing “section 226.19(b)(2)(xi)” and adding “section 226.19(b)(2)(x)” in its place.
- e. Under *Section 226.19-Certain Residential Mortgage and Variable-Rate Transactions*, under Paragraph 19(b)(2)(vi), paragraph 1. is amended by removing “comments 19(b)(2)(viii)-7 and 19(b)(2)(x)-4” and adding “comments 19(b)(2)(viii)(A)-7 and 19(b)(2)(viii)(B)-4” in its place.
- f. Under *Section 226.19-Certain Residential Mortgage and Variable-Rate Transactions*, under Paragraph 19(b)(2)(vii), paragraph 1. is amended by removing “comments 19(b)(2)(viii)-6 and 19(b)(2)(x)-3” and adding “comments 19(b)(2)(viii)(A)-6 and 19(b)(2)(viii)(B)-3” in its place.
- g. Under *Section 226.32-Requirements for Certain Closed-End Home Mortgages*, under Paragraph 32(a)(1)(ii), the second sentence of paragraph 2. is revised and paragraph 2.v. is added; and
- h. Under *Section 226.32-Requirements for Certain Closed-End Home Mortgages*, under Paragraph 32(c)(4), paragraph 1. is amended by removing “section 226.19(b)(2)(x)” and adding “section 226.19(b)(2)(viii)(B)” in its place.

Supplement I to Part 226—Official Staff Interpretations

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Subpart A—General

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*Section 226.2—Definitions and Rules of Construction**2(a) Definitions*

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2(a)(14) Credit

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2. *Payday loans; deferred presentment.* Credit includes a transaction in which a cash advance is made to a consumer in exchange for the consumer's personal check, or in exchange for the consumer's authorization to debit

the consumer's deposit account, and where the parties agree either that the check will not be cashed or deposited, or that the consumer's deposit account will not be debited, until a designated future date. This type of transaction is often referred to as a “payday loan” or “payday advance” or “deferred presentment loan.” A fee charged in connection with such a transaction may be a finance charge for purposes of section 226.4, regardless of how the fee is characterized under state law. Where the fee charged constitutes a finance charge under section 226.4 and the person advancing funds regularly extends consumer credit, that person is a creditor and is required to provide disclosures consistent with the requirements of Regulation Z. *See* section 226.2(a)(17).

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Subpart B—Open-End Credit

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Section 226.13—Billing Error Resolution

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13(i) Relation to Electronic Fund Transfer Act and Regulation E

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3. *Application to debit/credit transactions-examples.* If a consumer withdraws money at an automated teller machine and activates an overdraft credit feature on the checking account:

- i. An error asserted with respect to the transaction is subject, for error resolution purposes, to the applicable Regulation E provisions (such as timing and notice) for the entire transaction.
- ii. The creditor need not provisionally credit the consumer's account, under section 205.11(c)(2)(i) of Regulation E, for any portion of the unpaid extension of credit.
- iii. The creditor must credit the consumer's account under section 205.11(c) with any finance or other charges incurred as a result of the alleged error.
- iv. The provisions of section 226.13(d) and (g) apply only to the credit portion of the transaction.

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Subpart C—Closed-End Credit

Section 226.19—Certain Residential Mortgage and Variable-Rate Transactions

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19(b) Certain variable-rate transactions

* * * * *

5. *Examples of variable-rate transactions.*

- i. The following transactions, if they have a term greater than one year and are secured by the consumer's principal dwelling, constitute variable-rate trans-

actions subject to the disclosure requirements of section 226.19(b).

A. Renewable balloon-payment instruments where the creditor is both unconditionally obligated to renew the balloon-payment loan at the consumer's option (or is obligated to renew subject to conditions within the consumer's control) and has the option of increasing the interest rate at the time of renewal. (See comment 17(c)(1)-11 for a discussion of conditions within a consumer's control in connection with renewable balloon-payment loans.)

B. Preferred-rate loans where the terms of the legal obligation provide that the initial underlying rate is fixed but will increase upon the occurrence of some event, such as an employee leaving the employ of the creditor, and the note reflects the preferred rate. The disclosures under sections 226.19(b)(1) and 226.19(b)(2)(v), (viii), (ix), and (xii) are not applicable to such loans.

C. "Price-level-adjusted mortgages" or other indexed mortgages that have a fixed rate of interest but provide for periodic adjustments to payments and the loan balance to reflect changes in an index measuring prices or inflation. The disclosures under section 226.19(b)(1) are not applicable to such loans, nor are the following provisions to the extent they relate to the determination of the interest rate by the addition of a margin, changes in the interest rate, or interest-rate discounts: Section 226.19(b)(2)(i), (iii), (iv), (v), (vi), (vii), (viii), and (ix). (See comments 20(c)-2 and 30-1 regarding the inapplicability of variable-rate adjustment notices and interest-rate limitations to price-level-adjusted or similar mortgages.)

ii. Graduated-payment mortgages and step-rate transactions without a variable-rate feature are not considered variable-rate transactions.

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Subpart E—Special Rules for Certain Home Mortgage Transactions

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Section 226.32—Requirements for Certain Closed-End Home Mortgages

32(a) Coverage

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Paragraph 32(a)(1)(ii)

* * * * *

2. *Annual adjustment of \$400 amount.* * * * The \$400 figure is adjusted annually on January 1 by the annual percentage change in the CPI that was in effect on the preceding June 1. * * *

* * * * *

v. For 2000, \$451, reflecting a 2.3 percent increase in the CPI-U from June 1998 to June 1999, rounded to the nearest whole dollar.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 4 of the Bank Holding Company Act

Wells Fargo & Company
San Francisco, California

Order Approving Notice to Engage in Nonbanking Activities

Wells Fargo & Company ("Wells Fargo"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to acquire all the outstanding voting shares of Ragen MacKenzie Group Incorporated ("Ragen MacKenzie"), and thereby acquire control of its subsidiaries, Ragen MacKenzie Incorporated ("Company") and Ragen MacKenzie Investment Services, Inc., all in Seattle, Washington. Wells Fargo would thereby engage in the following nonbanking activities:

- (1) Providing financial and investment advisory services, in accordance with section 225.28(b)(6) of Regulation Y (12 C.F.R. 225.28(b)(6));
- (2) Providing securities brokerage, riskless principal, private placement, and other agency transactional services, in accordance with section 225.28(b)(7)(i), (ii), (iii), and (v) of Regulation Y (12 C.F.R. 225.28(b)(7)(i), (ii), (iii), and (v));
- (3) Underwriting and dealing in government obligations and money market instruments in which state member banks may underwrite and deal under 12 U.S.C. §§ 335 and 24(7) ("bank-eligible securities"), and engaging in investing and trading activities, in accordance with section 225.28(b)(8)(i) and (ii) of Regulation Y (12 C.F.R. 225.28(b)(8)(i) and (ii)); and
- (4) Underwriting and dealing in, to a limited extent, all types of debt and equity securities other than interests in open-end investment companies ("bank-ineligible securities").

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 3963 (2000)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Wells Fargo, with total consolidated assets of approximately \$207 billion, is the seventh largest banking organi-

zation in the United States.¹ Wells Fargo operates subsidiary banks with branches in numerous western and midwestern states, and engages through other subsidiaries in a broad range of permissible nonbanking activities. Ragen MacKenzie, with total consolidated assets of \$649 million, engages directly and indirectly in a broad range of securities underwriting and dealing, securities brokerage, investment advisory, and other activities.² Company is, and after consummation of the proposal will continue to be, registered as a broker-dealer with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*) and a member of the National Association of Securities Dealers, Inc. ("NASD"). Accordingly, Company is, and will continue to be, subject to the record-keeping and reporting obligations, fiduciary standards, and other requirements of the Securities Exchange Act of 1934, the SEC, and the NASD.

Wells Fargo, through its existing section 20 subsidiary, Norwest Investment Services, Inc., Minneapolis, Minnesota ("NISI"), currently underwrites and deals in, to a limited extent, certain types of bank-ineligible debt securities and engages in other permissible nonbanking activities.³ Wells Fargo does not propose to merge NISI with Company at this time.

Underwriting and Dealing in Bank-Ineligible Securities

The Board previously determined that, subject to the framework of prudential limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, underwriting and dealing in bank-ineligible securities is so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.⁴ The Board also previously determined that underwriting and dealing in bank-ineligible securities are consistent with section 20 of the Glass-Steagall Act (12 U.S.C. § 377),

provided that the company engaged in the activity derives no more than 25 percent of its gross revenues from underwriting and dealing in bank-ineligible securities.⁵ Wells Fargo has committed that Company will conduct its underwriting and dealing activities using the methods and procedures and subject to the prudential limitations established by the Board in the Section 20 Orders. Wells Fargo also has committed that Company will conduct its bank-ineligible securities underwriting and dealing activities subject to the Board's revenue restriction.⁶ As a condition of this order, Wells Fargo is required to conduct the bank-ineligible securities activities of Company subject to the revenue restrictions and Operating Standards established for section 20 subsidiaries ("Operating Standards").⁷

Other Activities Approved by Regulation or Order

The Board previously determined that financial and investment advisory activities; securities brokerage, riskless principal, private placement, and other agency transactional activities; bank-eligible securities underwriting and dealing; and investing and trading activities are closely related to banking within the meaning of section 4(c)(8) of the BHC Act.⁸ Wells Fargo has committed that it will conduct these activities in accordance with the limitations set forth in Regulation Y and the Board's orders and interpretations relating to each of the activities.

1. Asset and ranking data are as of September 30, 1999.

2. Ragen MacKenzie currently holds certain investments in securities that may exceed the levels permissible for bank holding companies. Wells Fargo has committed to conform, within two years of consummation of the proposal, all investments held by Ragen MacKenzie and its subsidiaries to the requirements of section 4 of the BHC Act and the Board's regulations and interpretations thereunder.

3. See *Norwest Corporation*, 84 *Federal Reserve Bulletin* 552 (1998).

4. See *J.P. Morgan & Co. Inc., et al.*, 75 *Federal Reserve Bulletin* 192 (1989), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 900 F.2d 360 (D.C. Cir. 1990); *Citicorp*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir.), *cert. denied*, 486 U.S. 1059 (1988), as modified by Review of Restrictions on Director, Officer and Employee Interlocks, Cross-Marketing Activities, and the Purchase and Sale of Financial Assets Between a Section 20 Subsidiary and an Affiliated Bank or Thrift, 61 *Federal Register* 57,679 (1996); Amendments to Restrictions in the Board's Section 20 Orders, 62 *Federal Register* 45,295 (1997); and Clarification to the Board's Section 20 Orders, 63 *Federal Register* 14,803 (1998) (collectively, "Section 20 Orders").

5. Compliance with the revenue limitation shall be calculated in accordance with the method stated in the Section 20 Orders, as modified by the *Order Approving Modifications to the Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989); *10 Percent Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities*, 61 *Federal Register* 48,953 (1996); and *Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities*, 61 *Federal Register* 68,750 (1996) (collectively, "Modification Orders"). In light of the fact that Wells Fargo proposes to acquire Company as a going concern, the Board concludes that allowing Company to calculate compliance with the revenue limitation on an annualized basis during the first year after consummation, and thereafter on a rolling quarterly average basis, would be consistent with the Section 20 Orders. See *U.S. Bancorp*, 84 *Federal Reserve Bulletin* 483 (1998); *Dauphin Deposit Corporation*, 77 *Federal Reserve Bulletin* 672 (1991).

6. As noted above, Wells Fargo intends to operate Company and NISI as separate corporate entities. Company and NISI will be independently subject to the 25-percent revenue limitation on underwriting and dealing in bank-ineligible securities. See *Citicorp*, 73 *Federal Reserve Bulletin* 473, 486 n.45 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir.), *cert. denied*, 486 U.S. 1059 (1988).

7. 12 C.F.R. 225.200. Company may provide services that are necessary incidents to the proposed underwriting and dealing activities. Unless Company receives specific approval under section 4(c)(8) of the BHC Act to conduct the incidental activities independently, any revenues from such activities must be treated as ineligible revenues subject to the Board's revenue limitation.

8. See 12 C.F.R. 225.28(b)(6), (7)(i), (ii), (iii), and (v), and (8)(i) and (ii).

Other Considerations

In order to approve this notice, the Board also must determine that performance of the proposed activities is a proper incident to banking; that is, that the proposed activities "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."⁹ As part of its review of these factors, the Board considers the financial and managerial resources of the notificant and its subsidiaries and the effect the transaction would have on such resources.¹⁰

In considering the financial resources of the notificant, the Board has reviewed the capitalization of Wells Fargo and Company in accordance with the standards set forth in the Section 20 Orders and has found the capitalization of each to be consistent with approval. This determination is based on all the facts of record, including Wells Fargo's projections of the volume of the bank-ineligible underwriting and dealing activities of Company.

The Board also has reviewed the managerial resources of each of the entities involved in this proposal in light of examination reports and other supervisory information. In connection with the proposal, the Federal Reserve Bank of Minneapolis ("Reserve Bank") has reviewed the policies and procedures of Company to ensure compliance with this order and the Section 20 Orders, including Company's operational and managerial infrastructure; computer, audit, and accounting systems; and internal risk management procedures and controls. On the basis of the Reserve Bank's review and all other facts of record, including the commitments provided in this case and the proposed managerial and risk management systems of Company, the Board has concluded that financial and managerial considerations are consistent with approval of the notice.

The Board has carefully considered the competitive effects of the proposal. To the extent that Ragen MacKenzie offers different types of products and services than Wells Fargo, the proposed acquisition would result in no loss of competition. In those markets where the product offerings of Wells Fargo's nonbanking subsidiaries overlap with the product offerings of Ragen MacKenzie, such as securities brokerage, investment advisory, and securities underwriting and dealing activities, there are numerous existing and potential competitors. Consummation of the proposal, therefore, would have a *de minimis* effect on competition in the markets for these services, and the Board has concluded that the proposal would not have significantly adverse competitive effects in any relevant market.

The Board also expects that consummation of the proposal would provide added convenience to the customers of Wells Fargo and Ragen MacKenzie. Wells Fargo has

indicated that consummation of the proposal would expand the range of products and services available to its customers and those of Ragen MacKenzie. Wells Fargo also has stated that the proposal would allow it to be a more effective competitor in the financial services industry. In addition, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies can make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they consider to be most efficient when such investments and actions are consistent, as in this case, with the relevant considerations under the BHC Act.

Based on all the facts of record, the Board has determined that performance of the proposed activities by Wells Fargo, under the framework established in this and prior decisions, can reasonably be expected to produce public benefits that outweigh any reasonably expected adverse effects of the proposal. Accordingly, the Board has determined that the performance of the proposed activities by Wells Fargo is a proper incident to banking for purposes of section 4(c)(8) of the BHC Act.

Conclusion

On the basis of all the facts of record, the Board has determined that the notice should be, and hereby is, approved, subject to all the terms and conditions described in this order and the Section 20 Orders, as modified by the Modification Orders. The Board's approval of the proposal extends only to activities conducted within the limitations of this order, including the Board's reservation of authority to establish additional limitations to ensure that the activities of Company are consistent with safety and soundness, avoidance of conflicts of interests, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in this order is not within the scope of the Board's approval and is not authorized for Company.

The Board's determination also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The Board's decision is specifically conditioned on compliance with all the commitments made in connection with this notice, including the commitments discussed in this order and the conditions set forth in this order and the Board regulations and orders noted above. The commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and, as such, may be enforced in proceedings under applicable law.

This proposal shall not be consummated later than three months after the effective date of this order, unless such

9. 12 U.S.C. § 1843(c)(8).

10. See 12 C.F.R. 225.26.

period is extended for good cause by the Board or the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 13, 2000.

Voting for this action: Chairman Greenspan and Governors Kelley, Meyer, and Gramlich. Absent and not voting: Vice Chairman Ferguson.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

National Bank of Egypt Cairo, Egypt

Order Approving Establishment of a Branch

National Bank of Egypt ("Bank"), Cairo, Egypt, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish a state-licensed branch in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a branch in the United States.

Notice of the application, affording interested persons an opportunity to comment, has been published in a newspaper of general circulation in New York, New York (*The New York Times*, December 4, 1998). The time for filing comments has expired, and the Board has considered the application and all comments received.

Bank, with total consolidated assets of approximately US \$19.6 billion, is the largest commercial bank in Egypt.¹ Founded in 1898 as a privately owned commercial bank with central bank responsibilities, Bank is now wholly owned by the Egyptian government and engages in a wide range of commercial banking activities, serving retail and corporate clients in the domestic and international markets. Bank has more than 340 domestic branches, a bank subsidiary in London, and a representative office in South Africa. Through 14 nonbank subsidiaries, Bank engages in trust, investment, housing development, manufacturing, and trade-related activities in Egypt and abroad. Bank does not have any direct operations in the United States, but does own a nonvoting equity interest in Arab American Bank ("AAB"), New York, New York, a state-chartered consortium bank. Bank would purchase virtually all the assets and liabilities of AAB through the proposed New York branch and would offer services to clients based in the Middle East and to U.S. enterprises seeking to do business there. Bank would be a qualifying foreign banking organization within the meaning of Regulation K (12 C.F.R. 211.23(b)).

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24).² The Board may also take into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)-(3)).

The IBA includes a limited exception to the general requirement relating to comprehensive, consolidated supervision (12 U.S.C. § 3105(d)(6)). This exception provides that, if the Board is unable to find that a foreign bank seeking to establish a branch, agency, or commercial lending company is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in its home country, the Board may nevertheless approve an application by such foreign bank if:

- (i) The appropriate authorities in the home country of the foreign bank are actively working to establish arrangements for the consolidated supervision of such bank; and
- (ii) All other factors are consistent with approval (12 U.S.C. § 3105(d)(6)(A)). In deciding whether to exercise its discretion to approve an application under authority of this exception, the Board shall also consider whether the foreign bank has adopted and implements procedures to combat money laundering (12 U.S.C. § 3105(d)(6)(B)).

The Board also may take into account whether the home country of the foreign bank is developing a legal regime to address money laundering or is participating in multilateral efforts to combat money laundering (12 U.S.C. § 3105(d)(6)(B)).

Bank engages directly in the business of banking outside the United States through its banking operations in Egypt

2. In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

- (i) ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;
- (v) evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination.

1. Asset data are as of September 30, 1999.

and elsewhere. Bank also has provided the Board with information necessary to assess the application through submissions that address the relevant issues.

With respect to supervision by Bank's home country authorities, the Board has considered the following information. The Central Bank of Egypt is the licensing, regulatory, and supervisory authority for all financial institutions in Egypt, including Bank. The Central Bank obtains information on the condition of Bank, Bank's subsidiaries, and Bank's foreign operations through regular examinations, periodic financial reports, and follow-up consultations with Bank's management. The Central Bank performs comprehensive, mandatory on-site examinations of Bank every other year and targeted periodic examinations, as needed. In addition, Bank's consolidated financial statements are audited annually by two government-approved external auditors. These auditors conduct on-site examinations of Bank, as needed, and provide their findings to the Central Bank. The Central Bank examiners and Bank's external auditors review Bank's internal controls, financial condition, asset quality, compliance with law and regulation, and transactions with affiliates.³ The Central Bank conducts follow-up meetings with Bank's management whenever weaknesses are noted. The Central Bank is also actively reviewing its processes with a view to enhancing the overall effectiveness of its supervisory program.

Off-site inspections consist of the Central Bank's review of periodic reports and other information received from Bank and from Bank's external auditors. These materials address various aspects of Bank's operations and are used by the Central Bank to monitor Bank's compliance, on a consolidated basis, with prudential limits on capital adequacy,⁴ asset classification and provisioning, credit and foreign currency exposure, and liquidity, and with statutory reserve requirements.

The Central Bank supervises Bank's foreign offices and foreign banking subsidiaries principally through off-site surveillance. Bank employs locally based external auditors who are required to provide their reports to Bank's Egyptian-based external auditors and to the Central Bank. The Egyptian auditors are required to use those reports in assessing Bank's overall financial condition. In addition, the Central Bank exchanges information with host country regulators.

Bank monitors the operations of its domestic and overseas offices through a combination of annual on-site audits and a review of periodic reports submitted to Bank's head office. Bank's internal audit department reviews assets/liabilities, revenues/expenses, and off-balance-sheet activities; compliance with governing rules, regulations, and

policies; and compliance with internal controls. Bank's internal audit findings are provided to the Central Bank and to Bank's external auditors.⁵

With regard to measures to prevent money laundering, although Egypt has not formally adopted the recommendations of the Financial Action Task Force ("FATF") regarding the prevention and detection of money laundering, the Egyptian Banking Association, in collaboration with the Central Bank, has issued rules for detecting and deterring money laundering operations that are generally consistent with the institution-specific recommendations of the FATF. These rules require the reporting of suspicious transactions to the Central Bank, require banks to ascertain the sources of funds for large transactions, and require customer identification on the opening of an account and profiling as part of the ongoing monitoring of accounts.

Bank has implemented policies and procedures to ensure compliance with these rules. Bank's policies include "know your customer" procedures, large transaction reviews, and record-keeping requirements; specify internal lines for reporting suspicious transactions; and detail procedures for investigating suspicious transactions and reporting them to the Central Bank and law enforcement authorities. Bank's internal and external auditors monitor compliance with these policies and procedures, and provide their findings to Bank's board of directors and the Central Bank.

Based on all the facts of record, the Board has determined that Bank's home country authorities are actively working to establish arrangements for the consolidated supervision of Bank, and that considerations relating to the steps taken by Bank and its home country to combat money laundering are consistent with approval under this standard.

The Board has also taken into account the additional standards set forth in the IBA (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)-(3)). The Central Bank has no objection to establishment of the proposed branch.

Bank must comply with the minimum capital standards of the Basel Capital Accord ("Accord"), as implemented by Egypt. Bank's capital is in excess of the minimum levels that would be required by the Accord and is considered equivalent to the capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank are also considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed branch. Bank has established controls and procedures for the proposed branch to

3. Egyptian banking laws do not impose limits on transactions with affiliates but do limit a bank's exposure to single borrowers (or related groups of borrowers) to no more than 30 percent of the bank's capital base. The Central Bank scrutinizes all transactions between Bank and its affiliates that are on preferential terms.

4. All banks operating in Egypt (other than branches of foreign banks) must maintain a capital to risk-weighted asset ratio of at least 8 percent, calculated on a consolidated basis.

5. In general, the Central Bank treats Bank's nonbank subsidiaries as investments. In evaluating these investments, the Central Bank considers whether they are properly valued, sufficiently reserved against, and consistent with a sensible investment policy. Bank monitors the operations of its nonbank subsidiaries through representation on each subsidiary's board of directors. The board representative provides Bank, Bank's external auditors, and the Central Bank with a comprehensive annual report prepared by the subsidiary's independent external auditor, highlighting any transactions between Bank and the subsidiary that are on preferential terms.

ensure compliance with U.S. law, as well as controls and procedures for its worldwide operations generally.

With respect to access to information about Bank's operations, the Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with relevant government authorities regarding access to information. Bank has committed to make available to the Board such information on the operations of Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited by law, Bank has committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information. In addition, subject to certain conditions, the Central Bank may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information that the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a branch should be, and hereby is, approved. Should any restrictions on access to

information on the operations or activities of Bank and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on compliance by Bank with the commitments made in connection with this application and with the conditions in this order.⁶ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order of the Board of Governors, effective March 20, 2000.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

6. The Board's authority to approve the establishment of the proposed branch parallels the continuing authority of the State of New York to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York and the New York State Banking Department ("Department") to license the proposed office of Bank in accordance with any terms or conditions that the Department may impose.

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant(s)	Bank(s)	Effective Date
Old Kent Financial Corporation, Grand Rapids, Michigan	Grand Premier Financial, Inc., Wauconda, Illinois Grand National Bank, Wauconda, Illinois	March 6, 2000

Section 4

Applicant(s)	Bank(s)	Effective Date
Centura Banks, Inc., Rocky Mount, North Carolina	NCS Mortgage Services, LLC, Norcross, Georgia National Consumer Services, II, LLC, Norcross, Georgia	March 24, 2000

Section 4—Continued

Applicant(s)	Bank(s)	Effective Date
First Security Corporation, Salt Lake City, Utah Star Systems, Inc., Maitland, Florida	Bank Network Securities, Chicago, Illinois	March 15, 2000

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Baytree Bancorp, Inc., Chicago, Illinois	Baytree National Bank & Trust Co., Chicago, Illinois	Chicago	February 29, 2000
Branson Bancshares, Inc., Branson, Missouri	Branson Bank, Branson, Missouri	St. Louis	March 2, 2000
Capitol Bancorp Ltd., Lansing, Michigan	Black Mountain Community Bank, Henderson, Nevada	Chicago	March 10, 2000
Sun Community Bancorp Limited, Phoenix, Arizona			
Nevada Community Bancorp Limited, Las Vegas, Nevada			
Capitol Bancorp Ltd., Lansing, Michigan	Sunrise Bank of Albuquerque, Albuquerque, New Mexico	Chicago	March 22, 2000
Sun Community Bancorp Limited, Phoenix, Arizona			
Sunrise Capital Corporation, Albuquerque, New Mexico			
Central Financial Corporation, Hutchinson, Kansas	NorthStar Bancshares, Inc., Riverside, Missouri	Kansas City	March 9, 2000
Concord Bancshares, Inc., St. Louis, Missouri	Concord Bank, St. Louis, Missouri	St. Louis	February 29, 2000
Crown Bankshares, Inc., Eden Prairie, Minnesota	Crown Bank, Edina, Minnesota	Minneapolis	March 22, 2000
Davis Trust Financial Corporation, Elkins, West Virginia	Davis Trust Company, Elkins, West Virginia	Richmond	March 7, 2000
First Charter Corporation, Concord, North Carolina	Carolina First Bancshares, Inc., Lincolnton, North Carolina	Richmond	March 20, 2000
First Northern Community Bancorp, Dixon, California	First Northern Bank of Dixon, Dixon, California	San Francisco	March 8, 2000
The Leaders Group, Inc., Oak Brook, Illinois	The Leaders Bank, Oak Brook, Illinois	Chicago	March 13, 2000
Kane.Commerce Co., Davenport, Iowa	Community State Bank of Plymouth, Plymouth, Illinois	Chicago	March 13, 2000
Maries County Bancorp, Inc., Vienna, Missouri	Branson Bancshares, Inc., Branson, Missouri Branson Bank, Branson, Missouri	St. Louis	March 2, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
National Commerce Bancorporation, Memphis, Tennessee	Piedmont Bancorp, Inc., Hillsborough, North Carolina Hillsborough Savings Bank, Inc., SSB, Hillsborough, North Carolina	St. Louis	February 28, 2000
New Mexico First Financial, Inc., Dover, Delaware	Mesilla Valley Bank, Las Cruces, New Mexico	Dallas	March 22, 2000
NorthStar Bancshares, Inc., Riverside, Missouri	NorthStar Bank, National Association, Kansas City, Missouri	Kansas City	March 1, 2000
Ohio Legacy Corp., Wooster, Ohio	Ohio Legacy Bank, N.A., Wooster, Ohio	Cleveland	February 29, 2000
Omni Financial Services, Inc., Atlanta, Georgia	United National Bank, Fayetteville, North Carolina	Richmond	March 7, 2000
Park National Corporation, Newark, Ohio	SNB Corp., Greenville, Ohio	Cleveland	March 6, 2000
Park National Corporation, Newark, Ohio	UB Bancshares, Inc., Bucyrus, Ohio	Cleveland	March 6, 2000
Premier Capital Corp., Denver, Colorado	Premier Bank, Denver, Colorado	Kansas City	March 2, 2000
Scottsdale Bancorp., Woodbury, Minnesota	Scottsdale Community Bank, Scottsdale, Arizona	San Francisco	March 15, 2000
Three Rivers Bancorp., Inc., Monroeville, Pennsylvania	Three Rivers Bank and Trust Company, Monroeville, Pennsylvania	Cleveland	March 20, 2000
Vision Bancshares, Inc., Gulf Shores, Alabama	Vision Bank, Gulf Shores, Alabama	Atlanta	March 7, 2000
Wells Fargo & Company, San Francisco, California	Michigan Financial Corporation, Marquette, Michigan MFC First National Bank, Marquette, Michigan MFC First National Bank, Menominee, Michigan MFC First National Bank, Ironwood, Michigan MFC First National Bank, Iron River, Michigan MFC First National Bank, Iron Mountain, Michigan MFC First National Bank, Houghton, Michigan MFC First National Bank, Escanaba, Michigan	San Francisco	March 15, 2000

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Bank of Montreal, Toronto, Ontario, Canada Bankmont Financial Corp., Chicago, Illinois	Lending, Inc., Chicago, Illinois	Chicago	March 10, 2000
The Chase Manhattan Bank, New York, New York Chase Manhattan Bank Delaware, Wilmington, Delaware	CSL Leasing, Inc., Wilmington, Delaware	New York	March 17, 2000

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Heartland Bancshares, Inc., Lenox, Iowa	First Community National Bank, Corning, Iowa	Chicago	March 23, 2000
Iowa State Bank Holding Company, Des Moines, Iowa	To engage <i>de novo</i> in extending credit and servicing loans	Chicago	March 3, 2000
Klein Financial, Inc., Chaska, Minnesota	Home Town Mortgage, Inc., Chaska, Minnesota	Minneapolis	February 29, 2000
Marquette Bancshares, Inc., Minneapolis, Minnesota	Apocalypse Corporation, Minneapolis, Minnesota Offerman & Company, Inc., Minneapolis, Minnesota	Minneapolis	March 9, 2000
MSB Holding Company, Moorhead, Iowa	To engage in leasing personal or real property	Chicago	March 15, 2000
National Commerce Bancorporation, Memphis, Tennessee	Fleet One, L.L.C., Nashville, Tennessee	St. Louis	February 28, 2000
Republic Bancorp Co., Orland Park, Illinois	Republic Bank, of Chicago, Darien, Illinois	Chicago	March 7, 2000
Summitt Bank Corporation, Atlanta, Georgia	CashMart, Inc., Atlanta, Georgia	Atlanta	March 1, 2000
Susquehanna Bancshares, Inc., Philadelphia, Pennsylvania	Valley Forge Asset Management Corporation, King of Prussia, Pennsylvania Valley Forge Investment Company Inc., King of Prussia, Pennsylvania	Philadelphia	February 24, 2000
UBS AG, Zurich, Switzerland	Prediction Company LLC, Santa Fe, New Mexico	New York	March 17, 2000
Wells Fargo & Company, San Francisco, California	Billpoint, Inc., San Jose, California	San Francisco	March 7, 2000

*APPLICATIONS APPROVED UNDER BANK MERGER ACT**By the Secretary of the Board*

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Applicant(s)	Bank(s)	Effective Date
AmSouth Bank, Birmingham, Alabama	First American Federal Savings Bank, Dalton, Georgia	March 8, 2000
Old Kent Bank, Grand Rapids, Michigan	Grand National Bank, Wauconda, Illinois	March 6, 2000

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Atlantic Bank, Ocean City, Maryland	Wilmington Trust FSB, Salisbury, Maryland	Richmond	March 13, 2000

By Federal Reserve Banks—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Citizens Bank, Flint, Michigan	Great Lakes National Bank Michigan, Ann Arbor, Michigan	Chicago	March 16, 2000
Citizens Trust Bank, Atlanta, Georgia	Mutual Federal Savings Bank of Atlanta, Atlanta, Georgia	Atlanta	March 10, 2000
CSB Bank, Capac, Michigan	Old Kent Bank, Grand Rapids, Michigan	Chicago	March 6, 2000
Weldon State Bank and Trust, Weldon, Illinois	Peoples State Bank of Mansfield, Mansfield, Illinois	Chicago	March 22, 2000

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the funding of the retirement plan for certain Board employees.

Board of Governors v. Interfinancial Services, Ltd., No. 00-75 (RCL) (D.D.C., filed February 9, 2000). Action to enforce administrative subpoena issued by the Board.

Toland v. Internal Revenue Service, Federal Reserve System, et al., No. CV-S-99-1769-JBR-RJJ (D. Nevada, filed December 29, 1999). Challenge to income taxation and Federal Reserve notes. On February 16, 2000, the government filed a motion to dismiss the action.

Irontown Housing Corp. v. Board of Governors, No. 99-9549 (10th Cir., filed December 27, 1999). Petition for review of Board order dated December 13, 1999, approving the merger of Zions Bancorporation with First Security Corporation.

Artis v. Greenspan, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). Employment discrimination action.

Sheriff Gerry Ali v. U.S. State Department, No. 99-7438 (C.D. Cal., filed July 21, 1999). Action relating to impounded bank drafts.

Kerr v. Department of the Treasury, No. 99-16263 (9th Cir., filed April 28, 1999). Appeal of dismissal of action challenging income taxation and Federal Reserve notes.

Sedgwick v. Board of Governors, No. Civ.-99-0702 (D. Arizona, filed April 14, 1999). Action under Federal Tort Claims Act alleging violation of bank supervision requirements. The Board filed a motion to dismiss on June 15, 1999.

Hunter v. Board of Governors, No. 1:98CV02994 (ESH) (D.D.C., filed December 9, 1998). Action under the Freedom of Information Act, the Privacy Act, and the first amendment. The Board filed a motion to dismiss or for summary judgment on July 22, 1999.

Folstad v. Board of Governors, No. 00-1056 (6th Cir., filed January 14, 2000). Appeal of district court order granting summary judgment to the Board in a Freedom of Information Act case.

Nelson v. Greenspan, No. 1:99CV00215 (EGS) (D.D.C., filed January 28, 1999). Employment discrimination complaint. On February 25, 2000, the court granted the Board's motion to dismiss the complaint.

Fraternal Order of Police v. Board of Governors, No. 1:98CV03116 (WBB) (D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board labor practices. On February 26, 1999, the Board filed a motion to dismiss the action.

Board of Governors v. Carrasco, No. 98 Civ. 3474 (LAK) (S.D.N.Y., filed May 15, 1998). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On May 26, 1998, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets and appointing the Federal Reserve Bank of New York as receiver for those assets. Following entry of the Board's order requiring restitution, 85 *Federal Reserve Bulletin* 142 (1998), the court granted the Board's motion for judgment in the asset freeze action and authorized a judicial sale of the seized property.

Board of Governors v. Pharaon, No. 98-6101 (2d Cir., filed May 4, 1998). Appeal and cross-appeal of district court order granting in part and denying in part the Board's motion for summary judgment seeking prejudgment interest and a statutory surcharge in connection with a civil money penalty assessed by the Board. On February 24, 1999, the court granted the Board's appeal and denied the cross-appeal, and remanded the matter to the district court for determination of prejudgment interest due to the Board.

Bettsworth v. Board of Governors, No. 97-CA-624 (W.D. Tex., filed August 21, 1997). Privacy Act case. On February 17, 2000, the court granted the Board's motion for

summary judgment and dismissed the action. On March 28, 2000, the plaintiff filed a notice of appeal.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

Vinay B. Malhotra
Tokyo, Japan

The Federal Reserve Board announced on March 17, 2000, the issuance of an Order of Prohibition against Vinay B. Malhotra, a former vice president and officer of The Chicago Branch of The Bank of Tokyo-Mitsubishi, Ltd., Tokyo, Japan.

R&T Foundation

James R. Sellers
Cooper City, Florida

The Federal Reserve Board announced on March 17, 2000, the issuance of a consent Order against the R&T Foundation and James R. Sellers, institution-affiliated parties of the First Western Bank, Cooper City, Florida, a state member bank.

Sunshine Financial

Frederick K. Wall
Cooper City, Florida

The Federal Reserve Board announced on March 17, 2000, the issuance of a consent Order against Sunshine Financial and Frederick K. Wall, institution-affiliated parties of the First Western Bank, Cooper City, Florida, a state member bank.

TERMINATION OF ENFORCEMENT ACTIONS

Banco Nacional de Mexico
Mexico City, Mexico

Banco Internacional, S.A.
Mexico City, Mexico

Banco Santander
Madrid, Spain

The Federal Reserve Board announced on March 13, 2000, the termination of the Temporary Orders to Cease and Desist issued against Banco Nacional de Mexico, Mexico City, Mexico; Banco Internacional, S.A., Mexico City, Mexico; and Banco Santander, Madrid, Spain.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Banco Popular de Puerto Rico
Hato Rey, Puerto Rico

The Federal Reserve Board announced on March 9, 2000, the execution of a Written Agreement by and between Banco Popular de Puerto Rico, Hato Rey, Puerto Rico, and the Federal Reserve Bank of New York.

Security Dollar Bank
Niles, Ohio

The Federal Reserve Board announced on March 22, 2000, the execution of a Written Agreement by and between the Security Dollar Bank, Niles, Ohio, and the Federal Reserve Bank of Cleveland.

Directors of Federal Reserve Banks and Branches

Regional decentralization and a combination of governmental and private characteristics are important hallmarks of the uniqueness of the Federal Reserve System. Under the Federal Reserve Act, decentralization was achieved by division of the country into twelve regions called Federal Reserve Districts and the establishment in each District of a separately incorporated Federal Reserve Bank with its own board of directors. The blending of governmental and private characteristics is provided through ownership of the stock of the Reserve Bank by member banks in its District, which also elect the majority of the board of directors, and by the general supervision of the Reserve Banks by the Board of Governors, an agency of the federal government. The Board also appoints a minority of each board of directors. Thus, there are essential elements of regional participation and counsel in the conduct of the System's affairs for which the Federal Reserve relies importantly on the contributions of the directors of the Federal Reserve Banks and Branches.

The following list of directors of Federal Reserve Banks and Branches shows for each director the class of directorship, the principal business affiliation, and the date the current term expires. Each Federal Reserve Bank has nine members on its board of directors: The member banks elect the three Class A and three Class B directors, and the Board of Governors appoints the three directors in Class C. Directors are chosen without discrimination as to race, creed, color, sex, or national origin.

Class A directors of each Reserve Bank represent the stockholding member banks of the Federal Reserve District. Class B and Class C directors represent the public and are chosen with due, but not exclusive, consideration to the interests of agriculture, commerce, industry, services, labor, and consumers; they may not be officers, directors, or employees of any bank. In addition, Class C directors may not be stockholders of any bank. The Board of Governors designates annually one Class C director as chairman of the board of directors of each District Bank and designates another Class C director as deputy chairman.

Each of the twenty-five Branches of the Federal Reserve Banks has a board of either seven or five directors, a majority of whom are appointed by the parent Federal Reserve Bank; the others are appointed by the Board of Governors. One of the Board's appointees is designated annually as chairman of the board of that Branch in a manner prescribed by the parent Federal Reserve Bank.

The list of directors below is current as of April 26, 2000.

The names of the chairman and deputy chairman of the board of directors of each Reserve Bank and of the chairman of each Branch are published monthly in the *Federal Reserve Bulletin*.¹

1. The current list appears on page A86 of this *Bulletin*.

DISTRICT 1—BOSTON

*Term expires
December 31*

Class A

Edwin N. Clift	President and Chief Executive Officer, Merrill Merchants Bank, Bangor, Maine	2000
Terrence Murray	Chairman and Chief Executive Officer, FleetBoston Financial Corporation, Boston, Massachusetts	2001
Paul M. Ferguson	President and Chief Executive Officer, Pemigewasset National Bank, Plymouth, New Hampshire	2002

Class B

Edward Dugger III	President and Chief Executive Officer, UNC Partners, Inc., Boston, Massachusetts	2000
Robert R. Glauber	Adjunct Lecturer, John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts	2001
Orit Gadiesh	Chairman, Bain & Company, Boston, Massachusetts	2002

Class C

James J. Norton	President, Graphic Communications International Union, Washington, D.C.	2000
William C. Brainard	Professor of Economics, Yale University, New Haven, Connecticut	2001
William O. Taylor	Chairman Emeritus, The Boston Globe, Boston, Massachusetts	2002

*Term Expires
December 31*

DISTRICT 2—NEW YORK

Class A

Walter V. Shipley	Retired Chairman, The Chase Manhattan Corporation, New York, New York	2000
T. Joseph Semrod	Chairman and Chief Executive Officer, Summit Bancorp, Princeton, New Jersey	2001
George W. Hamlin IV	President and Chief Executive Officer, The Canandaigua National Bank and Trust Company, Canandaigua, New York	2002

Class B

Eugene R. McGrath	Chairman, President, and Chief Executive Officer, Consolidated Edison Company of New York, Inc., New York, New York	2000
Ronay Menschel	President, Phipps Houses, New York, New York	2001
Ann M. Fudge	Executive Vice President, Kraft Foods, Inc., and President, Coffee & Cereals Division, Tarrytown, New York	2002

Class C

Charles A. Heimbold, Jr.	Chairman and Chief Executive Officer, Bristol-Myers Squibb Co., New York, New York	2000
Peter G. Peterson	Chairman, The Blackstone Group, New York, New York	2001
Albert J. Simone	President, Rochester Institute of Technology, Rochester, New York	2002

BUFFALO BRANCH

Appointed by the Federal Reserve Bank

William E. Swan	President and Chief Executive Officer, First Niagara Bank, Lockport, New York	2000
Maureen Torrey Marshall	Co-owner, Torrey Farms, Inc., Elba, New York	2000
Kathleen R. Whelehan	Executive Vice President, Consumer Finance Division, HSBC, Buffalo, New York	2001
Geraldine C. Ochocinska	Director, Region 9, UAW, Buffalo, New York	2002

Appointed by the Board of Governors

John E. Friedlander	President and Chief Executive Officer, Kaleida Health, Buffalo, New York	2000
Bal Dixit	President and Chief Executive Officer, Newtux Industries, Inc., Victor, New York	2001
Patrick P. Lee	Chairman and Chief Executive Officer, International Motion Control, Inc., Buffalo, New York	2002

DISTRICT 3—PHILADELPHIA

Class A

Harry Elwell III	President and Chief Executive Officer, First National Bank of Absecon, Absecon, New Jersey	2000
Rufus A. Fulton, Jr.	Chairman, President, and Chief Executive Officer, Fulton Financial Corporation, Lancaster, Pennsylvania	2001
Frank Kaminski, Jr.	Chairman, President, and Chief Executive Officer, Atlantic Central Bankers Bank, Camp Hill, Pennsylvania	2002

Class B

Robert D. Burris	President and Chief Executive Officer, Burris Foods, Inc., Milford, Delaware	2000
Howard E. Cosgrove	Chairman and Chief Executive Officer, Conectiv, Wilmington, Delaware	2001
Robert E. Chappell	Chairman and Chief Executive Officer, Penn Mutual Life Insurance Co., Philadelphia, Pennsylvania	2002

DISTRICT 3—PHILADELPHIA—Continued

*Term Expires
December 31*

Class C

Glenn A. Schaeffer	President, Pennsylvania Building and Construction Trades Council, Harrisburg, Pennsylvania	2000
Charisse R. Lillie	Partner, Ballard Spahr Andrews & Ingersoll, Philadelphia, Pennsylvania	2001
Joan Carter	President and Chief Operating Officer, UM Holdings Ltd., Haddonfield, New Jersey	2002

DISTRICT 4—CLEVELAND

Class A

David S. Dahlmann	President and Chief Executive Officer, Southwest Bank, Greensburg, Pennsylvania	2000
John R. Cochran	Chairman and Chief Executive Officer, FirstMerit Corporation, Akron, Ohio	2001
Tiney M. McComb	Chairman and President, Heartland BancCorp, Gahanna, Ohio	2002

Class B

Cheryl L. Krueger-Horn	President and Chief Executive Officer, Cheryl&Co., Westerville, Ohio	2000
Wayne R. Embry	President and Chief Operating Officer, Cleveland Cavaliers, Cleveland, Ohio	2001
David L. Nichols	Cincinnati, Ohio	2002

Class C

Vacancy		2000
David H. Hoag	Former Chairman, The LTV Corporation, Cleveland, Ohio	2001
Phillip R. Cox	President and Chief Executive Officer, Cox Financial Corporation, Cincinnati, Ohio	2002

CINCINNATI BRANCH

Appointed by the Federal Reserve Bank

Stephen P. Wilson	President and Chief Executive Officer, Lebanon Citizens National Bank, Lebanon, Ohio	2000
Judith G. Clabes	President and Chief Executive Officer, Scripps Howard Foundation, Cincinnati, Ohio	2000
Jean R. Hale	President and Chief Executive Officer, Community Trust Bancorp, Inc., Pikeville, Kentucky	2001
V. Daniel Radford	Executive Secretary-Treasurer, Cincinnati AFL-CIO Labor Council, Cincinnati, Ohio	2002

Appointed by the Board of Governors

Wayne Shumate	Chairman and Chief Executive Officer, Kentucky Textiles, Inc., Paris, Kentucky	2000
Thomas Revely III	President and Chief Executive Officer, Cincinnati Bell Supply Co., Cincinnati, Ohio	2001
George C. Juilfs	President and Chief Executive Officer, SENCORP, Newport, Kentucky	2002

PITTSBURGH BRANCH

Appointed by the Federal Reserve Bank

Thomas J. O'Shane	Senior Executive Vice President, Sky Financial Group, New Castle, Pennsylvania	2000
Edward V. Randall, Jr.	Management Consultant, Babst Calland Clements & Zomnir, Pittsburgh, Pennsylvania	2001
Georgia Berner	President, Berner International Corp., New Castle, Pennsylvania	2002
Peter N. Stephans	Chairman and Chief Executive Officer, Trigon Incorporated, McMurray, Pennsylvania	2002

*Term Expires
December 31*

DISTRICT 4—CLEVELAND—Continued

PITTSBURGH BRANCH—Continued

Appointed by the Board of Governors

John T. Ryan III	Chairman and Chief Executive Officer, Mine Safety Appliances Company, Pittsburgh, Pennsylvania	2000
Gretchen R. Haggerty	Vice President—Accounting and Finance, U.S. Steel Group, Pittsburgh, Pennsylvania	2001
Charles E. Bunch	Senior Vice President, Strategic Planning and Corporate Services, PPG Industries, Inc., Pittsburgh, Pennsylvania	2002

DISTRICT 5—RICHMOND

Class A

Elizabeth A. Duke	President and Chief Executive Officer, The Bank of Tidewater, Virginia Beach, Virginia	2000
James M. Culberson, Jr.	Chairman Emeritus, First National Bank and Trust Company, Asheboro, North Carolina	2001
Fred L. Green III	President and Chief Executive Officer, The National Bank of South Carolina, Columbia, South Carolina	2002

Class B

James E. Haden	President and Chief Executive Officer, Martha Jefferson Hospital, Charlottesville, Virginia	2000
Craig A. Ruppert	President, Ruppert Nurseries Inc., Laytonsville, Maryland	2001
W. Henry Harmon	President and Chief Executive Officer, Columbia Energy Resources, Charleston, West Virginia	2002

Class C

Wesley S. Williams, Jr.	Partner, Covington & Burling, Washington, D.C.	2000
Irwin Zazulia	President and Chief Executive Officer, Hecht's, Arlington, Virginia	2001
Jeremiah J. Sheehan	Chairman and Chief Executive Officer, Reynolds Metals Company, Richmond, Virginia	2002

BALTIMORE BRANCH

Appointed by the Federal Reserve Bank

William L. Jews	President and Chief Executive Officer, Blue Cross Blue Shield of Maryland, Owings Mills, Maryland	2000
Virginia W. Smith	President and Chief Executive Officer, Union National Bank, Westminster, Maryland	2000
Jeremiah E. Casey	Director and Former Chairman, Allfirst Financial, Inc., Baltimore, Maryland	2001
Dyan Brasington	President, High Technology Council of Maryland, Rockville, Maryland	2002

Appointed by the Board of Governors

Betty Bednarczyk	International Secretary-Treasurer, Service Employees International Union, AFL-CIO, CLC, Washington, D.C.	2000
Owen E. Herrnsstadt	Director, International Department, International Association of Machinists and Aerospace Workers, AFL-CIO, Upper Marlboro, Maryland	2001
George L. Russell, Jr.	Law Offices of Peter G. Angelos, Baltimore, Maryland	2002

CHARLOTTE BRANCH

Appointed by the Federal Reserve Bank

Elleveen T. Poston	President, Quality Transport, Inc., Lake City, South Carolina	2000
Cecil W. Sewell, Jr.	Chairman and Chief Executive Officer, Centura Banks, Inc., Rocky Mount, North Carolina	2000
William H. Nock	President and Chief Executive Officer, Sumter National Bank, Sumter, South Carolina	2001
Lucy J. Reuben	Dean, School of Business, South Carolina State University, Orangeburg, South Carolina	2002

DISTRICT 5—RICHMOND—Continued

*Term Expires
December 31*

CHARLOTTE BRANCH—Continued

Appointed by the Board of Governors

Joan H. Zimmerman	President, Southern Shows, Inc., Charlotte, North Carolina	2000
James F. Goodmon	President and Chief Executive Officer, Capitol Broadcasting Company, Inc., Raleigh, North Carolina	2001
Michael A. Almond	President and Chief Executive Officer, Carolinas Partnership, Charlotte, North Carolina	2002

DISTRICT 6—ATLANTA

Class A

D. Paul Jones, Jr.	Chairman and Chief Executive Officer, Compass Bancshares, Inc., Birmingham, Alabama	2000
Waymon L. Hickman	Chairman and Chief Executive Officer, First Farmers and Merchants National Bank, Columbia, Tennessee	2001
Richard G. Hickson	President and Chief Executive Officer, Trustmark Corporation, Jackson, Mississippi	2002

Class B

John Dane III	Vice Chairman, Friede Goldman Halter, Inc., Pass Christian, Mississippi	2000
Suzanne E. Boas	President, Consumer Credit Counseling Service, Inc., Atlanta, Georgia	2001
Juanita P. Baranco	Executive Vice President, Baranco Automotive Group, Morrow, Georgia	2002

Class C

Paula Lovell	President, Lovell Communications, Inc., Nashville, Tennessee	2000
Maria Camila Leiva	Executive Vice President, Miami Free Zone Corporation, Miami, Florida	2001
John F. Wieland	Chief Executive Officer and Chairman, John Wieland Homes and Neighborhoods, Inc., Atlanta, Georgia	2002

BIRMINGHAM BRANCH

Appointed by the Federal Reserve Bank

Roland Pugh	Chairman, Roland Pugh Construction, Inc., Northport, Alabama	2000
Hundley Batts, Sr.	Owner and Managing Agent, Hundley Batts & Associates, Huntsville, Alabama	2000
Robert M. Barrett	Past President, Union Planters National Bank, Deatsville, Alabama	2001
W. Charles Mayer III	President, Alabama Banking Group, AmSouth Bank, Birmingham, Alabama	2002

Appointed by the Board of Governors

D. Bruce Carr	Labor-Relations Liaison, Laborers' District Council of Alabama, Gadsden, Alabama	2000
Catherine Sloss Crenshaw	President, Sloss Real Estate Group, Birmingham, Alabama	2001
V. Larkin Martin	Managing Partner, Martin Farm, Courtland, Alabama	2002

JACKSONVILLE BRANCH

Appointed by the Federal Reserve Bank

Terry R. West	President and Chief Executive Officer, Jax Navy Federal Credit Union, Jacksonville, Florida	2000
Michael W. Poole	Principal, Poole Carbone Capital Partners, Inc., Winter Park, Florida	2000
Harvey R. Heller	President, Heller Bros. Packing Corp., Winter Garden, Florida	2001
Jerry M. Smith	Chairman and President, First National Bank of Alachua, Alachua, Florida	2002

Term Expires
December 31*DISTRICT 6—ATLANTA—Continued**JACKSONVILLE BRANCH—Continued**Appointed by the Board of Governors*

William E. Flaherty	Chairman, Blue Cross and Blue Shield of Florida, Inc., Jacksonville, Florida	2000
Julie K. Hilton	Vice President, Hilton Inc., Panama City Beach, Florida	2001
Marsha G. Rydberg	Partner, The Rydberg Law Firm, Tampa, Florida	2002

*MIAMI BRANCH**Appointed by the Federal Reserve Bank*

Carlos A. Migoya	Regional President, Dade and Monroe Counties, First Union National Bank of Florida, Miami, Florida	2000
Rudy E. Schupp	Chairman and Chief Executive Officer, Republic Security Bank, West Palm Beach, Florida	2001
D. Keith Cobb	Chairman, Laundromax, Inc., Ft. Lauderdale, Florida	2002
James W. Moore	Managing Partner, Riverside Capital, LLC, Fort Myers, Florida	2002

Appointed by the Board of Governors

Kaaren Johnson-Street	President, Kaaren Street Associates, Inc., Miami, Florida	2000
Gregg Borgeson	President and Chief Executive Officer, QuoteShip.com., Inc., Boston, Massachusetts	2001
Mark T. Sadders	President, Lakeview Farms, Inc., Pahokee, Florida	2002

*NASHVILLE BRANCH**Appointed by the Federal Reserve Bank*

James E. Dalton, Jr.	President and Chief Executive Officer, Quorum Health Group, Inc., Brentwood, Tennessee	2000
John E. Seward, Jr.	President and Chief Executive Officer, PLC, Inc., Piney Flats, Tennessee	2000
Dale W. Polley	Past President, First American Corporation, Nashville, Tennessee	2001
Leonard A. Walker, Jr.	Chairman and Chief Executive Officer, First National Bank and Trust Company, Athens, Tennessee	2002

Appointed by the Board of Governors

Whitney Johns Martin	Chairman and Chief Executive Officer, Capital Across America, Nashville, Tennessee	2000
Frances F. Marcum	Past Chairman and Chief Executive Officer, Micro Craft, Inc., Tullahoma, Tennessee	2001
Vacancy		2002

*NEW ORLEANS BRANCH**Appointed by the Federal Reserve Bank*

Teri G. Fontenot	President and Chief Executive Officer, Woman's Health Foundation, Baton Rouge, Louisiana	2000
David Guidry	President and Chief Executive Officer, Guico Machine Works, Inc., Harvey, Louisiana	2000
Howell N. Gage	Chairman, Vicksburg Advisory Group, BankCorp South, Vicksburg, Mississippi	2001
C.R. Cloutier	President and Chief Executive Officer, Midsouth National Bank, Lafayette, Louisiana	2002

DISTRICT 6—ATLANTA—Continued

*Term Expires
December 31*

NEW ORLEANS BRANCH—Continued

Appointed by the Board of Governors

Ben Tom Roberts	Senior Executive Vice President—Owner, Roberts Brothers, Inc., Mobile, Alabama	2000
Dwight H. Evans	President and Chief Executive Officer, Mississippi Power Company, Gulfport, Mississippi	2001
R. Glenn Pumpelly	President and Chief Executive Officer, Pumpelly Oil Inc., Sulphur, Louisiana	2002

DISTRICT 7—CHICAGO

Class A

Robert R. Yohanan	Managing Director and Chief Executive Officer, First Bank & Trust, Evanston, Illinois	2000
Alan R. Tubbs	President, Maquoketa State Bank and Ohnward Bancshares Inc., Maquoketa, Iowa	2001
Verne G. Istock	President, BANK ONE Corporation, Chicago, Illinois	2002

Class B

Jack B. Evans	President, The Hall—Perrine Foundation, Cedar Rapids, Iowa	2000
James H. Keyes	Chairman and Chief Executive Officer, Johnson Controls, Inc., Milwaukee, Wisconsin	2001
Connie E. Evans	President, Women's Self-Employment Project, Chicago, Illinois	2002

Class C

Lester H. McKeever, Jr.	Managing Partner, Washington, Pittman & McKeever, Chicago, Illinois	2000
Arthur C. Martinez	Chairman and Chief Executive Officer, Sears, Roebuck and Co., Hoffman Estates, Illinois	2001
Robert J. Darnall	Chairman and Chief Executive Officer, Prime Advantage Chicago, Chicago, Illinois	2002

DETROIT BRANCH

Appointed by the Federal Reserve Bank

David J. Wagner	Chairman, President, and Chief Executive Officer, Old Kent Financial Corporation, Grand Rapids, Michigan	2000
Richard M. Bell	President and Chief Executive Officer, The First National Bank of Three Rivers, Three Rivers, Michigan	2001
Edsel B. Ford II	Board Director, Ford Motor Company, Dearborn, Michigan	2002
Irma B. Elder	President, Elder Ford, Troy, Michigan	2002

Appointed by the Board of Governors

Timothy D. Leuliette	Senior Managing Director and Chief Executive Officer, Heartland Industrial Partners LP, Bloomfield Hills, Michigan	2000
Stephen R. Polk	Chairman and Chief Executive Officer, R.L. Polk & Co., Southfield, Michigan	2001
Elizabeth Bunn	Vice President, International Union UAW, Detroit, Michigan	2002

DISTRICT 8—ST. LOUIS

Class A

Michael A. Alexander	Chairman and President, First National Bank, Mt. Vernon, Illinois	2000
Thomas H. Jacobsen	Chairman, Firststar Corporation, Milwaukee, Wisconsin	2001
Lunsford W. Bridges	President and Chief Executive Officer, Metropolitan National Bank, Little Rock, Arkansas	2002

*Term Expires
December 31*

DISTRICT 8—ST. LOUIS—Continued

Class B

Robert L. Johnson	Chairman and Chief Executive Officer, Johnson Bryce, Inc., Memphis, Tennessee	2000
Bert Greenwalt	Partner, Greenwalt Company, Hazen, Arkansas	2001
Joe Gliessner	Executive Director, New Directions Housing Corp., Louisville, Kentucky	2002

Class C

Susan S. Elliott	Chairman and Chief Executive Officer, Systems Service Enterprises, Inc., St. Louis, Missouri	2000
Charles W. Mueller	Chairman, President, and Chief Executive Officer, Ameren Corporation, St. Louis, Missouri	2001
Gayle P.W. Jackson	Managing Director, Lange, Mullen & Bohn, LLC, Global Financial Solutions, St. Louis, Missouri	2002

LITTLE ROCK BRANCH

Appointed by the Federal Reserve Bank

Raymond E. Skelton	Chief Executive Officer, Mercantile Bank of Arkansas, N.A., Little Rock, Arkansas	2000
Lawrence A. Davis, Jr.	Chancellor, University of Arkansas at Pine Bluff, Pine Bluff, Arkansas	2001
Everett Tucker III	Moses Nosari Tucker Real Estate, Little Rock, Arkansas	2002
Ross M. Whipple	Chairman, Summit Bank, Arkadelphia, Arkansas	2002

Appointed by the Board of Governors

Diana T. Hueter	President and Chief Executive Officer, Hueter & Associates, Inc., Little Rock, Arkansas	2000
Vick M. Crawley	Plant Manager, Baxter Healthcare Corporation, Mountain Home, Arkansas	2001
A. Rogers Yarnell II	President, Yarnell Ice Cream Co., Inc., Searcy, Arkansas	2002

LOUISVILLE BRANCH

Appointed by the Federal Reserve Bank

Frank J. Nichols	Chairman, President, and Chief Executive Officer, Community Financial Services, Inc., Benton, Kentucky	2000
Orson Oliver	President, Mid-America Bank of Louisville, Louisville, Kentucky	2001
Larry E. Dunigan	Chairman and Chief Executive Officer, Holiday Management Corp., Evansville, Indiana	2002
Edwin K. Page	Vice President, External Affairs, AP Technoglass Co., Elizabethtown, Kentucky	2002

Appointed by the Board of Governors

Debbie Scoppechio	Chairman and Chief Executive Officer, Creative Alliance, Inc., Louisville, Kentucky	2000
Roger Reynolds	President and Chief Executive Officer, Reynolds Coatings, LLC, Louisville, Kentucky	2001
J. Stephen Barger	Executive Secretary-Treasurer, Kentucky State District Council of Carpenters, AFL-CIO, Frankfort, Kentucky	2002

*DISTRICT 8—ST. LOUIS—Continued**Term Expires
December 31**MEMPHIS BRANCH**Appointed by the Federal Reserve Bank*

E.C. Neelly III	Chief Executive Officer, First American National Bank, Iuka, Mississippi	2000
Walter L. Morris, Jr.	President, H&M Lumber Co., Inc., West Helena, Arkansas	2001
James A. England	Chairman, President, and Chief Executive Officer, Decatur County Bank, Decaturville, Tennessee	2002
John C. Kelley, Jr.	President, Business Financial Services, First Tennessee Bank, Memphis, Tennessee	2002

Appointed by the Board of Governors

Carol G. Crawley	Senior Vice President, Memphis Area Chamber of Commerce, Memphis, Tennessee	2000
Gregory M. Duckett	Senior Vice President and Corporate Counsel, Baptist Memorial Health Care Corporation, Memphis, Tennessee	2001
Mike P. Sturdivant, Jr.	Partner, Due West, Glendora, Mississippi	2002

*DISTRICT 9—MINNEAPOLIS**Class A*

Bruce Parker	President, Norwest Bank Montana, Billings, Montana	2000
W.W. LaJoie	Chief Executive Officer and Chairman, Central Savings Bank, Sault Ste. Marie, Michigan	2001
Roger N. Berglund	Chairman and President, Dakota Western Bank, Bowman, North Dakota	2002

Class B

Kathryn L. Ogren	Owner, Bitterroot Motors, Missoula, Montana	2000
Jay F. Hoeschler	President and Owner, Hoeschler Corporation, La Crosse, Wisconsin	2001
Rob L. Wheeler	Vice President, Wheeler Mfg. Co., Inc., Lemmon, South Dakota	2002

Class C

Ronald N. Zwieg	President, United Food & Commercial Workers, Local 653, Plymouth, Minnesota	2000
James J. Howard	Chairman, President, and Chief Executive Officer, Northern States Power Company, Minneapolis, Minnesota	2001
Linda Hall Whitman	President, Ceridian Performance Partners, Minneapolis, Minnesota	2002

*HELENA BRANCH**Appointed by the Federal Reserve Bank*

Emil W. Erhardt	Chairman and President, Citizens State Bank, Hamilton, Montana	2000
Sandra M. Stash, P.E.	Vice President, Environmental Services, ARCO Environmental Remediation L.L.C., Anaconda, Montana	2000
Richard E. Hart	President, Mountain West Bank, Great Falls, Montana	2001

Appointed by the Board of Governors

William P. Underriner	General Manager, Selover Buick Inc., Billings, Montana	2000
Thomas O. Markle	President and Chief Executive Officer, Markle's Inc., Glasgow, Montana	2001

*DISTRICT 10—KANSAS CITY**Class A*

Bruce A. Schriefer	President, Bankers' Bank of Kansas, Wichita, Kansas	2000
Jeffrey L. Gerhart	President and Chief Executive Officer, First National Bank, Newman Grove, Nebraska	2001
Dennis E. Barrett	Vice Chairman, FirstBank Holding Company of Colorado, Lakewood, Colorado	2002

Term Expires
December 31*DISTRICT 10—KANSAS CITY—Continued**Class B*

Hans Helmerich	President and Chief Executive Officer, Helmerich & Payne, Inc., Tulsa, Oklahoma	2000
Frank A. Potenziani	M & T Trust, Albuquerque, New Mexico	2001
Paula Marshall-Chapman	Chief Executive Officer, The Bama Companies, Inc., Tulsa, Oklahoma	2002

Class C

Terrence P. Dunn	President and Chief Executive Officer, J.E. Dunn Construction Company, Kansas City, Missouri	2000
Jo Marie Dancik	Area Managing Partner, Ernst & Young, LLP, Minneapolis, Minnesota	2001
Rhonda Holman	Vice President, Kauffman Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation, Kansas City, Missouri	2002

*DENVER BRANCH**Appointed by the Federal Reserve Bank*

Robert M. Murphy	President, Sandia Properties Ltd., Co., Albuquerque, New Mexico	2000
John W. Hay III	President, Rock Springs National Bank, Rock Springs, Wyoming	2000
Albert C. Yates	President, Colorado State University, Ft. Collins, Colorado	2001
C.G. Mammel	President and Chief Executive Officer, The Bank of Cherry Creek, N.A., Denver, Colorado	2002

Appointed by the Board of Governors

Kathryn A. Paul	President—Western Operations (Retired), Kaiser Permanente, Denver, Colorado	2000
James A. King	Chief Executive Officer, BT, Inc., Riverton, Wyoming	2001
Kathleen Avila	Partner and Chief Executive Officer, Avila Retail, Albuquerque, New Mexico	2002

*OKLAHOMA CITY BRANCH**Appointed by the Federal Reserve Bank*

Michael S. Samis	President and Chief Executive Officer, Macklanburg-Duncan Co., Oklahoma City, Oklahoma	2000
Betty Bryant Shaul	President-Elect and Director, Bank of Cushing and Trust Company, Cushing, Oklahoma	2001
W. Carlisle Mabrey III	President and Chief Executive Officer, Citizens Bank & Trust Co., Oklmulgee, Oklahoma	2001
William H. Braum	President, Braum Ice Cream Co., Oklahoma City, Oklahoma	2002

Appointed by the Board of Governors

Patricia B. Fennell	Executive Director, Latino Community Development Agency, Oklahoma City, Oklahoma	2000
David L. Kruse II	Senior Vice President, American Airlines, Inc., Tulsa, Oklahoma	2001
Larry W. Brummett	Chairman, President, and Chief Executive Officer, ONEOK, Inc., Tulsa, Oklahoma	2002

*OMAHA BRANCH**Appointed by the Federal Reserve Bank*

Frank L. Hayes	President, Hayes & Associates, L.L.C., Omaha, Nebraska	2000
H.H. Kosman	Chairman, President, and Chief Executive Officer, Platte Valley National Bank, Scottsbluff, Nebraska	2000
Bill L. Fairfield	Omaha, Nebraska	2001
Judith A. Owen	President and Chief Executive Officer, Norwest Bank Nebraska, N.A., Omaha, Nebraska	2002

Term Expires
December 31*DISTRICT 10—KANSAS CITY—Continued**OMAHA BRANCH—Continued**Appointed by the Board of Governors*

A.F. Raimondo	Chairman and Chief Executive Officer, Behlen Mfg. Co., Columbus, Nebraska	2000
Gladys Styles Johnston	Chancellor, University of Nebraska at Kearney, Kearney, Nebraska	2001
Bob L. Gottsch	Vice President, Gottsch Feeding Corporation, Hastings, Nebraska	2002

*DISTRICT 11—DALLAS**Class A*

Kirk A. McLaughlin	President and Chief Executive Officer, Security Bank, Ralls, Texas	2000
Dudley K. Montgomery	President and Chief Executive Officer, The Security State Bank of Pecos, Pecos, Texas	2001
Kenneth T. Murphy	Chairman, President, and Chief Executive Officer, First Financial Bankshares, Inc., Abilene, Texas	2002

Class B

Judy Ley Allen	Partner, Allen Investments, Houston, Texas	2000
Julie S. England	Vice President, Texas Instruments, Dallas, Texas	2001
Malcolm Gillis	President, Rice University, Houston, Texas	2002

Class C

H.B. Zachry, Jr.	Chairman and Chief Executive Officer, H.B. Zachry Company, San Antonio, Texas	2000
Roger R. Hemminghaus	Chairman Emeritus, Ultramar Diamond Shamrock Corp., San Antonio, Texas	2001
Patricia M. Patterson	President, Patterson Investments, Inc., Dallas, Texas	2002

*EL PASO BRANCH**Appointed by the Federal Reserve Bank*

Cecil E. Nix	Member, International Brotherhood of Electrical Workers, Local 460, Midland, Texas	2000
Lester L. Parker	President and Chief Executive Officer, United Bank of El Paso, El Paso, Texas	2001
James D. Renfrow	President and Chief Executive Officer, The Carlsbad National Bank, Carlsbad, New Mexico	2002
Melissa W. O'Rourke	President, Charlotte's Inc., El Paso, Texas	2002

Appointed by the Board of Governors

Gail S. Darling	President, Gail Darling Inc., El Paso, Texas	2000
Beauregard Brite White	Rancher, J.E. White, Jr. & Sons, Marfa, Texas	2001
James Haines	Chief Executive Officer and President, El Paso Electric Company, El Paso, Texas	2002

*HOUSTON BRANCH**Appointed by the Federal Reserve Bank*

Alan R. Buckwalter III	Chairman and Chief Executive Officer, Chase Bank of Texas, N.A., Houston, Texas	2000
Richard W. Weekley	Chairman, Weekley Development Company, Houston, Texas	2001
Ray B. Nesbitt	President (Retired), Exxon Chemical Company, Houston, Texas	2002
Priscilla D. Slade	President, Texas Southern University, Houston, Texas	2002

*Term Expires
December 31*

DISTRICT 11—DALLAS—Continued

HOUSTON BRANCH—Continued

Appointed by the Board of Governors

Jeffrey K. Skilling	President and Chief Operating Officer, Enron Corporation, Houston, Texas	2000
Edward O. Gaylord	Chairman, Jacintoport Terminal Company, Houston, Texas	2001
Peggy Pearce Caskey	President, PPC Holdings, L.L.C., Houston, Texas	2002

SAN ANTONIO BRANCH

Appointed by the Federal Reserve Bank

Arthur R. Emerson	Vice President/General Manager, KVDA-TV 60, San Antonio, Texas	2000
R. Tom Roddy	Chairman, CaminoReal Bank, San Antonio, Texas	2001
Mary Rose Cardenas	Executive Vice President, Cardenas Motors, Inc., Brownsville, Texas	2002
Daniel B. Hastings, Jr.	President and Owner, Daniel B. Hastings, Inc., Laredo, Texas	2002

Appointed by the Board of Governors

Marvin L. Ragsdale	President, Iron Workers District Council of the State of Texas, Austin, Texas	2000
Ron R. Harris	President and Chief Executive Officer, Pervasive Software, Austin, Texas	2001
Patty P. Mueller	Vice President, Mueller Energetics Corp., Corpus Christi, Texas	2002

DISTRICT 12—SAN FRANCISCO

Class A

John V. Rindlaub	President, Northwest Region, Bank of America, Seattle, Washington	2000
Warren K.K. Luke	Chairman and Chief Executive Officer, Hawaii National Bank, Honolulu, Hawaii	2001
E. Lynn Caswell	Vice Chairman and Chief Executive Officer, EarthOne Capital Group.com, Laguna Hills, California	2002

Class B

Krestine Corbin	President and Chief Executive Officer, Sierra Machinery, Inc., Sparks, Nevada	2000
George M. Scalise	President, Semiconductor Industry Association, San Jose, California	2001
Robert S. Attiyeh	Senior Vice President and Chief Financial Officer (Retired), and Consultant, Amgen, Inc., Los Angeles, California	2002

Class C

Nelson C. Rising	President and Chief Executive Officer, Catellus Development Corporation, San Francisco, California	2000
Sheila D. Harris	Consultant, Harris Consulting, Litchfield Park, Arizona	2001
Gary G. Michael	Chairman and Chief Executive Officer, Albertson's, Inc., Boise, Idaho	2002

LOS ANGELES BRANCH

Appointed by the Federal Reserve Bank

Liam E. McGee	President, Bank of America Southern California, Los Angeles, California	2000
Linda Griego	Managing Partner, Engine Co. No. 28, Los Angeles, California	2000
Russell Goldsmith	Chairman and Chief Executive Officer, City National Bank, Beverly Hills, California	2001
John H. Gleason	Executive Vice President, Del Webb Corporation, Phoenix, Arizona	2002

*DISTRICT 12—SAN FRANCISCO—Continued**Term Expires
December 31**LOS ANGELES BRANCH—Continued**Appointed by the Board of Governors*

Lonnie Kane	President, Karen Kane, Inc., Los Angeles, California	2000
William D. Jones	Chairman, President, and Chief Executive Officer, CityLink Investment Corporation, San Diego, California	2001
Lori R. Gay	President, Los Angeles Neighborhood Housing Service, Los Angeles, California	2002

*PORTLAND BRANCH**Appointed by the Federal Reserve Bank*

Guy L. Williams	President and Chief Executive Officer, Security Bank, Coos Bay, Oregon	2000
Vacancy		2001
Phyllis A. Bell	President, Oregon Coast Aquarium, Newport, Oregon	2002
Martin Brantley	President and General Manager, Oregon's 12—KPTV, Portland, Oregon	2002

Appointed by the Board of Governors

Patrick Borunda	Director, Oweesta Fund, First Nation's Development Institute, Vancouver, Washington	2000
Karla S. Chambers	Vice President, Stahlbush Island Farms, Inc., Corvallis, Oregon	2001
Nancy Wilgenbusch	President, Marylhurst University, Marylhurst, Oregon	2002

*SALT LAKE CITY BRANCH**Appointed by the Federal Reserve Bank*

R.D. Cash	Chairman, President, and Chief Executive Officer, Questar Corporation, Salt Lake City, Utah	2000
Curtis H. Harris	Chairman, President, and Chief Executive Officer, Barnes Banking Company, Kaysville, Utah	2001
J. Pat McMurray	President, First Security Bank, N.A., Boise, Idaho	2002
Maria Garciaz	Executive Director, Salt Lake Neighborhood Housing Services, Salt Lake City, Utah	2002

Appointed by the Board of Governors

Barbara L. Wilson	Idaho and Regional Vice President, U. S. West, Boise, Idaho	2000
Vacancy		2001
H. Roger Boyer	Chairman, The Boyer Company, Salt Lake City, Utah	2002

*SEATTLE BRANCH**Appointed by the Federal Reserve Bank*

Betsy Lawer	Vice Chair and Chief Operating Officer, First National Bank of Anchorage, Anchorage, Alaska	2000
Peter H. van Oppen	Chairman and Chief Executive Officer, Advanced Digital Information Corp., Redmond, Washington	2001
Mary E. Pugh	President, Pugh Capital Management, Inc., Seattle, Washington	2002
James C. Hawkanson	Managing Director and Chief Executive Officer, The Commerce Bank of Washington, N.A., Seattle, Washington	2002

Appointed by the Board of Governors

Richard R. Sonstelie	Chairman, Puget Sound Energy, Inc., Bellevue, Washington	2000
Helen M. Rockey	Seattle, Washington	2001
Boyd E. Givan	Senior Vice President and Chief Financial Officer (Retired), The Boeing Company, Seattle, Washington	2002

Financial and Business Statistics

A3 GUIDE TO TABULAR PRESENTATION

DOMESTIC FINANCIAL STATISTICS

Money Stock and Bank Credit

- A4 Reserves, money stock, and debt measures
- A5 Reserves of depository institutions and Reserve Bank credit
- A6 Reserves and borrowings—Depository institutions

Policy Instruments

- A7 Federal Reserve Bank interest rates
- A8 Reserve requirements of depository institutions
- A9 Federal Reserve open market transactions

Federal Reserve Banks

- A10 Condition and Federal Reserve note statements
- A11 Maturity distribution of loan and security holding

Monetary and Credit Aggregates

- A12 Aggregate reserves of depository institutions and monetary base
- A13 Money stock and debt measures

Commercial Banking Institutions— Assets and Liabilities

- A15 All commercial banks in the United States
- A16 Domestically chartered commercial banks
- A17 Large domestically chartered commercial banks
- A19 Small domestically chartered commercial banks
- A20 Foreign-related institutions

Financial Markets

- A22 Commercial paper and bankers dollar acceptances outstanding
- A22 Prime rate charged by banks on short-term business loans
- A23 Interest rates—Money and capital markets
- A24 Stock market—Selected statistics

Federal Finance

- A25 Federal fiscal and financing operations
- A26 U.S. budget receipts and outlays
- A27 Federal debt subject to statutory limitation

Federal Finance—Continued

- A27 Gross public debt of U.S. Treasury—Types and ownership
- A28 U.S. government securities dealers—Transactions
- A29 U.S. government securities dealers—Positions and financing
- A30 Federal and federally sponsored credit agencies—Debt outstanding

Securities Markets and Corporate Finance

- A31 New security issues—Tax-exempt state and local governments and corporations
- A32 Open-end investment companies—Net sales and assets
- A32 Corporate profits and their distribution
- A32 Domestic finance companies—Assets and liabilities
- A33 Domestic finance companies—Owned and managed receivables

Real Estate

- A34 Mortgage markets—New homes
- A35 Mortgage debt outstanding

Consumer Credit

- A36 Total outstanding
- A36 Terms

Flow of Funds

- A37 Funds raised in U.S. credit markets
- A39 Summary of financial transactions
- A40 Summary of credit market debt outstanding
- A41 Summary of financial assets and liabilities

DOMESTIC NONFINANCIAL STATISTICS

Selected Measures

- A42 Nonfinancial business activity
- A42 Labor force, employment, and unemployment
- A43 Output, capacity, and capacity utilization
- A44 Industrial production—Indexes and gross value
- A46 Housing and construction
- A47 Consumer and producer prices
- A48 Gross domestic product and income
- A49 Personal income and saving

INTERNATIONAL STATISTICS

Summary Statistics

- A50 U.S. international transactions
- A51 U.S. foreign trade
- A51 U.S. reserve assets
- A51 Foreign official assets held at Federal Reserve Banks
- A52 Selected U.S. liabilities to foreign official institutions

Reported by Banks in the United States

- A52 Liabilities to, and claims on, foreigners
- A53 Liabilities to foreigners
- A55 Banks' own claims on foreigners
- A56 Banks' own and domestic customers' claims on foreigners
- A56 Banks' own claims on unaffiliated foreigners
- A57 Claims on foreign countries—Combined domestic offices and foreign branches

Reported by Nonbanking Business Enterprises in the United States

- A58 Liabilities to unaffiliated foreigners
- A59 Claims on unaffiliated foreigners

Securities Holdings and Transactions

- A60 Foreign transactions in securities
- A61 Marketable U.S. Treasury bonds and notes—Foreign transactions

Interest and Exchange Rates

- A62 Foreign exchange rates

A63 GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES

SPECIAL TABLES

- A64 Assets and liabilities of commercial banks, December 31, 1999
- A66 Terms of lending at commercial banks, February 2000
- A72 Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1999

A76 INDEX TO STATISTICAL TABLES

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected	GNMA	Government National Mortgage Association
e	Estimated	GDP	Gross domestic product
n.a.	Not available	HUD	Department of Housing and Urban Development
p	Preliminary	IMF	International Monetary Fund
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IO	Interest only
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	IPCs	Individuals, partnerships, and corporations
0	Calculated to be zero	IRA	Individual retirement account
...	Cell not applicable	MMDA	Money market deposit account
ATS	Automatic transfer service	MSA	Metropolitan statistical area
BIF	Bank insurance fund	NOW	Negotiable order of withdrawal
CD	Certificate of deposit	OCD	Other checkable deposit
CMO	Collateralized mortgage obligation	OPEC	Organization of Petroleum Exporting Countries
CRA	Community Reinvestment Act of 1977	OTS	Office of Thrift Supervision
FFB	Federal Financing Bank	PMI	Private mortgage insurance
FHA	Federal Housing Administration	PO	Principal only
FHLBB	Federal Home Loan Bank Board	REIT	Real estate investment trust
FHLMC	Federal Home Loan Mortgage Corporation	REMIC	Real estate mortgage investment conduit
FmHA	Farmers Home Administration	RHS	Rural Housing Service
FNMA	Federal National Mortgage Association	RP	Repurchase agreement
FSLIC	Federal Savings and Loan Insurance Corporation	RTC	Resolution Trust Corporation
G-7	Group of Seven	SCO	Securitized credit obligation
G-10	Group of Ten	SDR	Special drawing right
		SIC	Standard Industrial Classification
		VA	Department of Veterans Affairs

GENERAL INFORMATION

In many of the tables, components do not sum to totals because of rounding.

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also

include not fully guaranteed issues) as well as direct obligations of the Treasury.

"State and local government" also includes municipalities, special districts, and other political subdivisions.

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	1999				1999 ^f			2000	
	Q1	Q2	Q3 ²	Q4 ²	Oct.	Nov.	Dec.	Jan. ^f	Feb.
<i>Reserves of depository institutions²</i>									
1 Total	-1.2	-6.6	-15.4	-7.9	-33.3	7.5	9.4	47.0	-46.3
2 Required	1.0	-5.6	-15.0	-9.4	-33.0	2.2	10.4	27.2	-22.0
3 Nonborrowed	-1.3	-6.7	-17.1	-7.5	-32.0	8.9	7.0	45.8	-39.2
4 Monetary base ²	8.7	9.6	9.2	20.0	16.4	25.6	44.2	1.3	-38.1
<i>Concepts of money and debt⁴</i>									
5 M1	1.9	2.1	-1.8	4.9	5.6	9.0	15.6	-3.1	-17.0
6 M2	7.5	6.0	5.2	5.0	4.2	4.9	7.3	5.9	2.2
7 M3	8.2	6.0	4.9	9.7	9.2	14.4	16.8	8.1	4.2
8 Debt	6.7	7.0 ²	6.1	6.4	6.4	4.7	6.8	6.0	n.a.
<i>Nontransaction components</i>									
9 In M2 ⁵	9.3	7.3	7.5	5.0	3.8	3.7	4.6	8.8	8.2
10 In M3 only ⁶	10.1	5.9	4.0	22.8	22.9	39.9	41.9	13.7	9.2
<i>Time and savings deposits</i>									
Commercial banks									
11 Savings, including MMDAs	14.0	10.7	10.6	4.2	3.7	-7	-3.1	2.1	12.4
12 Small time ⁷	-5.2	-2.0	2.1	6.8	6.6	9.0	8.2	7.4	9.2
13 Large time ^{8,9}	.5	-9	.2	36.9	50.2	52.7	47.8	6.3	19.0
Thrift institutions									
14 Savings, including MMDAs	14.2	14.5	13.3	-3.3	-6.1	-4.5	-8.0	-3.7	7.2
15 Small time ⁷	-6.7 ²	-6.3	-3.2	5.0	4.2	8.3	6.4	8.2	2.2
16 Large time ⁸	8.0	-4.4	1.2	6.3	.0	20.1	5.3	36.8	7.6
<i>Money market mutual funds</i>									
17 Retail	18.7	11.2	8.0	9.4	7.1	9.2	20.2	26.9	4.1
18 Institution-only	19.8	14.1	9.3	21.4	22.9	29.9	31.0	31.8	-11.5
<i>Repurchase agreements and Eurodollars</i>									
19 Repurchase agreements ¹⁰	17.4	-1.2 ^f	9.1	12.8	-4	31.0	49.3	-20.4	47.4
20 Eurodollars ¹⁰	-1.3	21.7	-9.7	9.1	-11.6	61.4	65.8	29.5	-21.2
<i>Debt components⁴</i>									
21 Federal	-3.1	-2.3	-3	-4.4	-5.8	-7.7	.8	-4.4	n.a.
22 Nonfederal	9.6	9.7	8.0	9.4	9.8	8.1	8.4	8.8	n.a.

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding during preceding month or quarter.

2. Figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.20.)

3. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

4. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more), (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all

depository institutions, and (4) Eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and Eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

5. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances, each seasonally adjusted separately.

6. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) Eurodollars (overnight and term) of U.S. addressees, each seasonally adjusted separately.

7. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.

8. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

9. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	1999		2000		2000					
	Dec.	Jan.	Feb.	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	595,909	582,309	556,692	589,581	571,877	565,741	558,370	555,751	557,686	557,049
U.S. government securities ²										
2 Bought outright—System account ³	492,467	491,902	501,923	484,695	494,824	497,578	500,503	501,838	502,470	502,193
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	181	180	158	181	181	179	175	175	150	150
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	68,012	53,099	19,991	67,421	40,754	28,821	21,143	18,419	19,826	21,041
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	160	315	40	856	242	117	82	41	27	42
9 Seasonal credit	69	30	44	31	28	27	24	29	44	52
10 Special Liquidity Facility credit	74	48	17	127	16	17	33	17	19	15
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	761	1,344	679	1,032	403	3,365	976	201	667	1,010
13 Other Federal Reserve assets	34,186	35,392	33,840	35,238	35,430	35,637	35,434	35,030	34,483	32,546
14 Gold stock	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
15 Special drawing rights certificate account	6,652	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
16 Treasury currency outstanding	27,928	28,177	28,314	28,146	28,192	28,237	28,282	28,296	28,310	28,324
ABSORBING RESERVE FUNDS										
17 Currency in circulation	601,159	587,982	565,424	599,272	581,666	571,880	566,817	565,669	565,704	565,747
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	110	121	148	121	122	125	126	131	146	162
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	8,250	8,148	5,259	5,326	5,390	7,205	6,131	5,259	5,306	5,334
21 Foreign	136	93	92	74	101	83	146	91	88	81
22 Service-related balances and adjustments	7,513	7,676 ⁵	7,415	7,967	7,473	7,771	7,230	7,872	7,895	6,960
23 Other	248	361	244	191	250	237	248	249	237	238
24 Other Federal Reserve liabilities and capital	18,505	18,240	18,684	18,188	18,446	18,491	18,344	18,469	18,795	18,823
25 Reserve balances with Federal Reserve Banks ⁵	5,616	5,114	4,987	3,835	3,870	5,434	4,859	3,556	5,074	5,278
End-of-month figures										
	Dec.	Jan.	Feb.	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	653,561	561,444	558,483	585,632	568,808	571,162	554,775	563,385	557,308	560,717
U.S. government securities ²										
2 Bought outright—System account ³	477,963	500,228	500,771	485,719	496,110	499,138	501,078	502,331	502,699	500,423
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	181	175	150	181	181	175	175	175	150	150
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	140,640	23,105	24,768	62,895	34,610	25,105	19,110	25,280	21,505	24,255
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	140	86	29	946	127	154	77	37	19	48
9 Seasonal credit	47	21	64	32	32	23	27	41	49	53
10 Special Liquidity Facility credit	47	22	16	22	13	21	23	17	18	16
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	-237	2,986	339	365	2,335	10,713	-629	242	482	2,998
13 Other Federal Reserve assets	34,781	34,820	32,347	35,472	35,401	35,832	34,914	35,262	32,385	32,775
14 Gold stock	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
15 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
16 Treasury currency outstanding	28,013	28,282	28,338	28,146	28,192	28,237	28,282	28,296	28,310	28,324
ABSORBING RESERVE FUNDS										
17 Currency in circulation	628,359	566,568	564,593	589,928	577,837	569,593	566,771	566,967	566,545	566,033
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	109	125	162	121	125	125	129	143	162	162
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	28,402	6,119	5,004	5,454	3,716	8,780	4,896	4,860	4,775	4,818
21 Foreign	71	82	129	110	80	81	143	81	108	107
22 Service-related balances and adjustments	7,867	7,230	6,917	7,967	7,473	7,771	7,231	7,872	7,895	6,960
23 Other	1,261	265	243	229	256	237	266	247	256	238
24 Other Federal Reserve liabilities and capital	17,256	18,101	18,785	18,019	18,187	18,363	17,802	18,487	18,548	18,609
25 Reserve balances with Federal Reserve Banks ⁵	15,498	8,484	8,237	9,200	6,574	11,697	3,069	10,273	4,578	9,362

1. Amounts of cash held as reserves are shown in table 1.12, line 2.

2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale—purchase transactions.

3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.

5. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1997	1998	1999	1999					2000	
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb.
1 Reserve balances with Reserve Banks ²	10,664	9,021	5,260	7,802	7,698	6,768	6,285	5,260	5,207	5,072
2 Total vault cash ³	44,742	44,293	60,499	44,603	44,447	47,030	50,754	60,499	73,898	63,745
3 Applied vault cash ⁴	37,255	35,997	36,384	34,069	34,089	33,933	34,660	36,384	39,097	37,015
4 Surplus vault cash ⁵	7,486	8,296	24,116	10,533	10,359	13,096	16,094	24,116	34,802	26,731
5 Total reserves ⁶	47,920	45,018	41,643	41,871	41,787	40,702	40,944	41,643	44,304	42,087
6 Required reserves	46,235	43,435	40,332	40,742	40,590	39,549	39,610	40,332	42,279	40,971
7 Excess reserve balances at Reserve Banks	1,685	1,583	1,311	1,129	1,197	1,153	1,334	1,311	2,025	1,116
8 Total borrowing at Reserve Banks	324	317	320	344	338	281	236	320	374	108
9 Adjustment	245	101	179	72	56	52	157	179	296	45
10 Seasonal	79	15	67	271	282	221	71	67	31	44
11 Special Liquidity Facility ⁸	...	...	74	...	0	8	7	74	46	19
12 Extended credit	0	0	0	0	0	0	0	0	0	0

Reserve classification	Biweekly averages of daily figures for two week periods ending on dates indicated									
	1999					2000				
	Nov. 3	Nov. 17	Dec. 1	Dec. 15	Dec. 29	Jan. 12	Jan. 26 ^f	Feb. 9 ^f	Feb. 23	Mar. 8
1 Reserve balances with Reserve Banks ²	6,721	6,524	5,927	5,434	4,888	6,308	4,644	4,145	5,172	6,233
2 Total vault cash ³	47,593	49,519	52,813	56,693	63,663	68,851	75,759	80,804	58,780	49,745
3 Applied vault cash ⁴	34,014	34,046	35,470	35,346	37,329	37,491	40,031	40,334	36,271	33,772
4 Surplus vault cash ⁵	13,579	15,474	17,343	21,347	26,334	31,360	35,728	40,470	22,509	15,973
5 Total reserves ⁶	40,735	40,569	41,397	40,780	42,217	43,799	44,675	44,479	41,443	40,005
6 Required reserves	39,742	39,196	40,027	39,682	40,956	40,674	43,278	43,333	40,260	39,090
7 Excess reserve balances at Reserve Banks	993	1,373	1,370	1,098	1,261	3,125	1,396	1,146	1,183	915
8 Total borrowing at Reserve Banks	246	329	133	181	425	657	224	114	100	119
9 Adjustment	72	263	64	94	222	530	180	62	35	44
10 Seasonal	153	62	62	61	79	38	28	27	48	61
11 Special Liquidity Facility ⁸	22	5	7	27	124	90	17	25	17	15
12 Extended credit	0	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.

2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).

6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).

7. Total reserves (line 5) less required reserves (line 6).

8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999 through April 7, 2000.

9. Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels											
	Adjustment credit ¹			Seasonal credit ²			Extended credit ³			Special Liquidity Facility credit ⁴		
	On 4/7/00	Effective date	Previous rate	On 4/7/00	Effective date	Previous rate	On 4/7/00	Effective date	Previous rate	On 4/7/00	Effective date	Previous rate
Boston	5.50	3/21/00	5.25	6.15	4/6/00	5.95	6.65	4/6/00	6.45	7.50	3/21/00	7.25
New York	↑	3/21/00	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Philadelphia	↑	3/21/00	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Cleveland	↑	3/21/00	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Richmond	↑	3/21/00	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Atlanta	↑	3/21/00	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
Chicago	↓	3/21/00	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
St. Louis	↓	3/22/00	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Minneapolis	↓	3/21/00	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Kansas City	↓	3/21/00	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
Dallas	↓	3/23/00	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓
San Francisco	5.50	3/22/00	5.25	6.15	4/6/00	5.95	6.65	4/6/00	6.45	7.50	3/21/00	7.25

Range of rates for adjustment credit in recent years ⁵								
Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6	1982—Oct. 12	9.5–10	9.5	1994—May 17	3–3.5	3.5
1978—Jan. 9	6–6.5	6.5	13	9.5	9.5	18	3.5	3.5
20	6.5	6.5	Nov. 22	9–9.5	9	Aug. 16	3.5–4	4
May 11	6.5–7	7	26	9	9	18	4	4
12	7	7	Dec. 14	8.5–9	9	Nov. 15	4–4.75	4.75
July 3	7–7.25	7.25	15	8.5–9	8.5	17	4.75	4.75
10	7.25	7.25	17	8.5	8.5			
Aug. 21	7.75	7.75	1984—Apr. 9	8.5–9	9	1995—Feb. 1	4.75–5.25	5.25
Sept. 22	8	8	13	9	9	9	5.25	5.25
Oct. 16	8–8.5	8.5	Nov. 21	8.5–9	8.5	1996—Jan. 31	5.00–5.25	5.00
20	8.5	8.5	26	8.5	8.5	Feb. 5	5.00	5.00
Nov. 1	8.5–9.5	9.5	Dec. 24	8	8			
3	9.5	9.5	1985—May 20	7.5–8	7.5	1998—Oct. 15	4.75–5.00	4.75
1979—July 20	10	10	24	7.5	7.5	16	4.75	4.75
Aug. 17	10–10.5	10.5	1986—Mar. 7	7–7.5	7	Nov. 17	4.50–4.75	4.50
20	10.5	10.5	10	7	7	19	4.50	4.50
Sept. 19	10.5–11	11	Apr. 21	6.5–7	6.5	1999—Aug. 24	4.50–4.75	4.75
21	11	11	23	6.5	6.5	26	4.75	4.75
Oct. 8	11–12	12	July 11	6	6	Nov. 16	4.75–5.00	4.75
10	12	12	Aug. 21	5.5–6	5.5	18	5.00	5.00
1980—Feb. 15	12–13	13	22	5.5	5.5	2000—Feb. 2	5.00–5.25	5.25
19	13	13	1987—Sept. 4	5.5–6	6	4	5.25	5.25
May 29	12–13	13	11	6	6	Mar. 21	5.25–5.50	5.50
30	12	12	1988—Aug. 9	6–6.5	6.5	23	5.50	5.50
June 13	11–12	11	11	6.5	6.5	In effect Apr. 7, 2000	5.50	5.50
16	11	11	1989—Feb. 24	6.5–7	7			
July 28	10–11	10	27	7	7			
29	10	10	1990—Dec. 19	6.5	6.5			
Sept. 26	11	11	1991—Feb. 1	6–6.5	6			
Nov. 17	12	12	4	6	6			
Dec. 5	12–13	13	Apr. 30	5.5–6	5.5			
8	13	13	May 2	5.5	5.5			
1981—May 5	13–14	14	Sept. 13	5–5.5	5			
8	14	14	17	5	5			
Nov. 2	13–14	13	Nov. 6	4.5–5	4.5			
6	13	13	7	4.5	4.5			
Dec. 4	12	12	Dec. 20	3.5–4.5	3.5			
1982—July 20	11.5–12	11.5	24	3.5	3.5			
23	11.5	11.5	1992—July 2	3–3.5	3			
Aug. 2	11–11.5	11	7	3	3			
3	11	11						
16	10.5	10.5						
27	10–10.5	10						
30	10	10						

1. Available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. The highest rate established for loans to depository institutions may be charged on adjustment credit loans of unusual size that result from a major operating problem at the borrower's facility.

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayear movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate

ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. Available in the period between October 1, 1999, and April 7, 2000, to help depository institutions in sound financial condition meet unusual needs for funds in the period around the century date change. The interest rate on loans from the special facility is the Federal Open Market Committee's intended federal funds rate plus 150 basis points.

5. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Annual Statistical Digest, 1970–1979*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million-\$44.3 million ³	3	12/30/99
2 More than \$44.3 million ⁴	10	12/30/99
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly, on a pass-through basis, with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report of the Federal Reserve Bulletin*. Under the Monetary Control Act of 1980, depository institutions include commercial banks, savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorized transfers for the purpose of making payments to third persons or others. However, accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month (of which no more than three may be by check, draft, debit card, or similar order payable directly to third parties) are savings deposits, not transaction accounts.

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the amount was decreased from \$46.5 million to \$44.3 million.

Under the Garn-St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the

succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the exemption was raised from \$4.9 million to \$5.0 million.

4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report quarterly.

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	1997	1998	1999	1999						
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
U.S. TREASURY SECURITIES ²										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	9,147	3,550	0	0	0	0	0	0	0	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	435,907	450,835	464,218	42,037	37,052	42,643	35,844	36,882	42,468	37,029
4 For new bills	435,907	450,835	464,218	42,037	37,052	42,643	35,844	36,882	42,468	37,029
5 Redemptions	0	2,000	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	5,549	6,297	11,895	951	429	960	0	964	1,450	0
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	41,716	46,062	50,590	3,279	7,669	3,468	3,831	6,675	3,936	3,566
9 Exchanges	-27,499	-49,434	-53,315	-368	-10,798	-2,125	-368	-10,150	-2,175	-4,360
10 Redemptions	1,996	2,676	1,429	41	0	0	170	0	0	390
One to five years										
11 Gross purchases	20,080	12,901	19,731	0	1,272	0	0	1,014	3,514	160
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-37,987	-37,777	-44,032	-3,279	-4,751	-3,468	-3,831	-3,685	-3,936	-3,566
14 Exchanges	20,274	37,154	42,604	0	8,433	2,125	0	8,015	2,175	4,045
Five to ten years										
15 Gross purchases	3,449	2,294	4,303	0	447	0	0	0	581	809
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-1,954	-5,908	-5,841	0	-2,918	0	0	-2,273	0	0
18 Exchanges	5,215	7,439	7,583	373	1,290	0	0	2,135	0	316
More than ten years										
19 Gross purchases	5,897	4,884	9,428	0	1,075	0	0	925	1,257	1,069
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-1,775	-2,377	-717	0	0	0	0	-717	0	0
22 Exchanges	2,360	4,842	3,139	0	1,075	0	374	0	0	0
All maturities										
23 Gross purchases	44,122	29,926	45,357	951	3,223	960	0	2,903	6,802	2,038
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,996	4,676	1,429	41	0	0	170	0	0	390
Matched transactions										
26 Gross purchases	3,577,954	4,395,430	4,395,998	347,067	374,032	348,014	332,708	317,537	488,845	492,277
27 Gross sales	3,580,274	4,399,330	4,414,253	346,747	373,159	350,151	330,856	318,294	510,605	471,663
Repurchase agreements										
28 Gross purchases	810,485	512,671	281,599	27,707	23,097	29,369	100	0	0	0
29 Gross sales	809,268	514,186	301,273	33,612	23,717	24,337	7,707	0	0	0
30 Net change in U.S. Treasury securities	41,022	19,835	5,999	-4,675	3,476	3,855	-5,924	2,146	-14,959	22,262
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	25	0	0	0	0	0	0	0	0
33 Redemptions	1,540	322	157	10	11	0	50	7	0	6
Repurchase agreements										
34 Gross purchases	160,409	284,316	360,069	46,941	61,968	53,224	9,636	0	0	0
35 Gross sales	159,369	276,266	370,772	48,840	56,053	47,963	24,092	0	0	0
36 Net change in federal agency obligations	-500	7,703	-10,859	-1,909	5,904	5,261	-14,506	-7	0	-6
Reverse repurchase agreements										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
Repurchase agreements										
39 Gross purchases	0	0	304,989	0	0	0	68,061	81,350	155,578	61,345
40 Gross sales	0	0	164,349	0	0	0	45,501	54,470	64,378	178,880
41 Net change in triparty obligations	0	0	140,640	0	0	0	22,560	26,880	91,200	-117,535
42 Total net change in System Open Market Account	40,522	27,538	135,780	-6,584	9,380	9,116	2,130	29,019	76,241	-95,279

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings.

2. Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities.

A10 Domestic Financial Statistics □ May 2000

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2000					1999	2000	
	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23	Dec. 31	Jan. 31	Feb. 29
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
2 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
3 Coin	325	351	389	408	425	207	357	422
<i>Loans</i>								
4 To depository institutions	198	127	95	86	117	233	130	109
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Triparty Obligations</i>								
7 Repurchase agreements—triparty ²	25,105	19,110	25,280	21,505	24,255	140,640	23,105	24,768
<i>Federal agency obligations³</i>								
8 Bought outright	175	175	175	150	150	181	175	150
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities³	499,138	501,078	502,331	502,699	500,423	477,963	500,228	500,771
11 Bought outright ⁴	499,138	501,078	502,331	502,699	500,423	477,963	500,228	500,771
12 Bills	197,111	197,981	199,234	199,601	197,326	176,517	197,131	197,674
13 Notes	219,012	219,013	219,013	217,843	217,843	218,467	219,013	217,843
14 Bonds	83,015	84,084	84,084	85,254	85,254	82,978	84,084	85,254
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	524,617	520,490	527,881	524,440	524,945	619,017	523,638	525,798
17 Items in process of collection	17,122	7,756	7,649	7,965	13,285	6,524	4,511	9,642
18 Bank premises	1,366	1,365	1,374	1,375	1,375	1,365	1,365	1,380
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	16,155	15,500	15,504	15,508	15,513	16,140	15,528	15,234
20 All other	18,307	18,023	18,369	15,479	15,874	17,294	17,949	15,633
21 Total assets	595,140	580,733	588,414	582,423	588,665	677,795	580,597	585,357
LIABILITIES								
22 Federal Reserve notes	541,807	538,969	539,203	538,804	538,296	600,662	538,768	536,839
23 Reverse repurchase agreements—triparty	0	0	0	0	0	0	0	0
24 Total deposits	28,592	16,116	23,243	17,632	21,703	53,760	21,789	20,548
25 Depository institutions	19,494	10,812	18,055	12,493	16,539	24,027	15,322	15,173
26 U.S. Treasury—General account	8,780	4,896	4,860	4,775	4,818	28,402	6,119	5,004
27 Foreign—Official accounts	81	143	81	108	107	71	82	129
28 Other	237	266	247	256	238	1,261	265	243
29 Deferred credit items	6,379	7,845	7,481	7,439	10,056	6,117	1,939	9,186
30 Other liabilities and accrued dividends	4,465	4,410	4,715	4,716	4,689	4,392	4,461	4,683
31 Total liabilities	581,243	567,341	574,642	568,591	574,744	664,931	566,957	571,256
CAPITAL ACCOUNTS								
32 Capital paid in	6,648	6,650	6,664	6,678	6,697	6,432	6,650	6,699
33 Surplus	6,432	6,325	6,364	6,404	6,431	6,432	6,314	6,404
34 Other capital accounts	818	417	744	751	792	0	676	999
35 Total liabilities and capital accounts	595,140	580,733	588,414	582,423	588,665	677,795	580,597	585,357
MEMO								
36 Marketable U.S. Treasury securities held in custody for foreign and international accounts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Federal Reserve note statement								
37 Federal Reserve notes outstanding (issued to Banks)	811,652	807,687	805,873	804,031	801,624	821,959	809,367	799,674
38 LESS: Held by Federal Reserve Banks	269,846	268,717	266,670	265,227	263,327	221,297	270,599	262,835
39 Federal Reserve notes, net	541,807	538,969	539,203	538,804	538,296	600,662	538,768	536,839
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
41 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
42 Other eligible assets	140	1,358	0	0	0	0	0	0
43 U.S. Treasury and agency securities	524,418	520,363	521,955	521,556	521,048	583,414	521,520	519,590
44 Total collateral	541,807	538,969	539,203	538,804	538,296	600,662	538,768	536,839

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.

2. Cash value of agreements arranged through third-party custodial banks.

3. Face value of the securities.

4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

5. Valued monthly at market exchange rates.

6. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.

7. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2000					1999	2000	
	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23	Dec. 31	Jan. 31	Feb. 29
1 Total loans	198	127	95	86	117	233	130	109
2 Within fifteen days ¹	175	79	54	71	99	207	101	81
3 Sixteen days to ninety days	23	48	41	15	18	20	29	28
4 91 days to 1 year	0	0	0	0	0	7	0	0
5 Total U.S. Treasury securities²	499,138	501,078	502,331	502,699	500,423	477,963	500,228	500,771
6 Within fifteen days ¹	16,070	20,579	15,184	16,535	14,512	4,632	20,547	13,372
7 Sixteen days to ninety days	100,111	101,043	102,705	102,973	102,796	91,919	100,224	106,030
8 Ninety-one days to one year	141,636	136,588	141,573	139,878	139,803	139,866	136,588	138,688
9 One year to five years	124,330	124,808	124,808	124,578	124,578	124,169	124,808	123,947
10 Five years to ten years	50,720	50,720	50,720	50,941	50,941	51,107	50,720	50,941
11 More than ten years	66,271	67,340	67,340	67,793	67,793	66,270	67,340	67,793
12 Total federal agency obligations	175	175	175	150	150	181	175	150
13 Within fifteen days ¹	25	25	25	0	0	0	25	0
14 Sixteen days to ninety days	10	10	10	10	10	31	10	10
15 Ninety-one days to one year	10	10	10	10	10	20	10	10
16 One year to five years	10	10	10	10	10	10	10	10
17 Five years to ten years	120	120	120	120	120	120	120	120
18 More than ten years	0	0	0	0	0	0	0	10

1. Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with maximum maturity of the agreements.

2. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	1999						2000		
					July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ³	50.16	46.86	44.90	41.52	41.98	42.07	42.11	40.94	41.20	41.52	43.15	41.48
	2 Nonborrowed reserves ⁴	50.01	46.54	44.79	41.20	41.67	41.72	41.77	40.66	40.96	41.20	42.77	41.38
	3 Nonborrowed reserves plus extended credit ⁵	50.01	46.54	44.79	41.20	41.67	41.72	41.77	40.66	40.96	41.20	42.77	41.38
	4 Required reserves	48.75	45.18	43.32	40.21	40.90	40.94	40.92	39.79	39.86	40.21	41.12	40.37
	5 Monetary base ⁶	451.61	479.16	512.59	590.65 ^f	541.25	544.63	550.22	557.75 ^f	569.66 ^f	590.65 ^f	591.30	572.51
	Not seasonally adjusted												
	6 Total reserves ⁷	51.45	48.01	45.12	41.72	41.85	41.92	41.85	40.77	41.02	41.72	44.29	42.10
	7 Nonborrowed reserves	51.30	47.69	45.00	41.40	41.54	41.58	41.51	40.49	40.78	41.40	43.92	41.99
	8 Nonborrowed reserves plus extended credit ⁵	51.30	47.69	45.00	41.40	41.54	41.58	41.51	40.49	40.78	41.40	43.92	41.99
	9 Required reserves ⁸	50.04	46.33	43.54	40.41	40.77	40.79	40.65	39.62	39.68	40.41	42.27	40.98
	10 Monetary base ⁹	456.63	484.98	518.28	600.46 ^f	540.98	543.87	548.13	555.51	571.89	600.46 ^f	597.03	571.68
	NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	51.17	47.92	45.02	41.64	41.80	41.87	41.79	40.70	40.94	41.64	44.30	42.09	
12 Nonborrowed reserves	51.02	47.60	44.90	41.32	41.49	41.53	41.45	40.42	40.71	41.32	43.93	41.98	
13 Nonborrowed reserves plus extended credit ⁵	51.02	47.60	44.90	41.32	41.49	41.53	41.45	40.42	40.71	41.32	43.93	41.98	
14 Required reserves	49.76	46.24	43.44	40.33	40.73	40.74	40.59	39.55	39.61	40.33	42.28	40.97	
15 Monetary base ¹²	463.40	491.79	525.06	607.93 ^f	548.07	550.86	555.19	562.64	579.02	607.93 ^f	604.76	579.02	
16 Excess reserves ¹³	1.42	1.69	1.58	1.31	1.08	1.13	1.20	1.15	1.33	1.31	2.03	1.12	
17 Borrowings from the Federal Reserve	.16	.32	.12	.32	.31	.34	.34	.28	.24	.32	.37	.11	

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data starting in 1959 and estimates of the effect on required reserves of changes in reserve requirements are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10.)

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).

4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).

8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with regulatory changes in reserve requirements.

11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since February 1984, currency and vault cash figures have been measured over the computation periods ending on Mondays.

13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 ² Dec.	1999 ²		2000	
					Nov.	Dec.	Jan. ²	Feb.
Seasonally adjusted								
Measures ²								
1 M1	1,081.1	1,073.9	1,097.4	1,123.8	1,109.4	1,123.8	1,120.9	1,105.0
2 M2	3,822.9	4,040.8	4,397.0	4,652.2	4,624.2	4,652.2	4,675.2	4,683.7
3 M3	4,952.4	5,402.2	5,996.9 ⁴	6,467.3	6,378.0	6,467.3	6,511.0	6,533.6
4 Debt	14,446.5 ⁵	15,209.2 ²	16,230.9 ⁶	17,314.9	17,217.5	17,314.9	17,401.7	n.a.
M1 components								
5 Currency ³	394.3	424.8	459.5	515.6	504.3	515.6	524.3	518.2
6 Travelers checks ⁴	8.3	8.1	8.2	8.3	8.2	8.3	8.2	8.1
7 Demand deposits ⁵	402.3	395.3	379.3	355.9	355.7	355.9	345.4	338.1
8 Other checkable deposits ⁶	276.1	245.8	250.3	244.0	241.2	244.0	243.0	240.6
Nontransaction components								
9 In M2 ⁷	2,741.8	2,966.9	3,299.6	3,528.4	3,514.9	3,528.4	3,554.4	3,578.7
10 In M3 only ⁸	1,129.5	1,361.3	1,599.9	1,815.1	1,753.8	1,815.1	1,835.8	1,849.9
Commercial banks								
11 Savings deposits, including MMDAs	904.0	1,020.5	1,184.8	1,285.8	1,289.1	1,285.8	1,288.1	1,301.4
12 Small time deposits ⁹	593.3	625.4	626.1	634.5	630.2	634.5	638.4	643.3
13 Large time deposits ^{10, 11}	413.9	488.3	539.3	610.5	587.1	610.5	613.7	623.4
Thrift institutions								
14 Savings deposits, including MMDAs	366.6	376.6	413.8	448.7	451.7	448.7	447.3	450.0
15 Small time deposits ⁹	353.6	342.8	325.6	320.6	318.9	320.6	322.8	323.4
16 Large time deposits ¹⁰	78.3	85.6	88.9	91.4	91.0	91.4	94.2	94.8
Money market mutual funds								
17 Retail	524.4	601.7	749.4	838.9	825.0	838.9	857.7	860.6
18 Institution-only	312.0	380.8	518.4	607.4	592.1	607.4	623.5	617.5
Repurchase agreements and Eurodollars								
19 Repurchase agreements ¹²	210.7	256.0	300.8 ⁶	334.7	321.5	334.7	329.0	342.0
20 Eurodollars ¹³	114.6	150.7	152.6	171.1	162.2	171.1	175.3	172.2
Debt components								
21 Federal debt	3,781.3	3,800.3	3,750.8	3,658.9	3,656.5	3,658.9	3,645.6	n.a.
22 Nonfederal debt	10,665.2 ⁵	11,408.9 ⁶	12,480.1 ⁷	13,656.0	13,561.0	13,656.0	13,756.1	n.a.
Not seasonally adjusted								
Measures ²								
23 M1	1,105.1	1,097.7	1,121.3	1,148.3	1,112.8	1,148.3	1,127.6	1,096.5
24 M2	3,845.1	4,063.9	4,422.2	4,680.5	4,626.6	4,680.5	4,685.8	4,681.8
25 M3	4,973.4	5,426.1	6,026.5	6,502.3	6,389.6	6,502.3	6,527.4	6,553.0
26 Debt	14,443.3 ⁵	15,206.3 ²	16,227.8 ⁶	17,313.0	17,192.2	17,313.0	17,382.9	n.a.
M1 components								
27 Currency ³	397.9	428.9	464.1	521.3	505.2	521.3	523.1	517.2
28 Travelers checks ⁴	8.6	8.3	8.4	8.4	8.3	8.4	8.4	8.3
29 Demand deposits ⁵	419.9	412.4	395.9	371.9	359.0	371.9	350.1	331.7
30 Other checkable deposits ⁶	278.8	248.2	252.8	246.7	240.4	246.7	246.0	239.3
Nontransaction components								
31 In M2 ⁷	2,740.0	2,966.3	3,300.9	3,532.2	3,513.7	3,532.2	3,558.2	3,585.3
32 In M3 only ⁸	1,128.2	1,362.2	1,604.3	1,821.9	1,763.1	1,821.9	1,841.6	1,871.2
Commercial banks								
33 Savings deposits, including MMDAs	903.3	1,020.4	1,186.0	1,288.6	1,288.8	1,288.6	1,286.3	1,294.0
34 Small time deposits ⁹	592.7	625.3	626.5	635.3	631.7	635.3	640.0	645.8
35 Large time deposits ^{10, 11}	413.2	487.2	537.8	608.6	590.1	608.6	604.9	619.0
Thrift institutions								
36 Savings deposits, including MMDAs	366.3	376.5	414.2	449.7	451.6	449.7	446.7	447.4
37 Small time deposits ⁹	353.2	342.8	325.8	321.0	319.7	321.0	323.6	324.7
38 Large time deposits ¹⁰	78.1	85.4	88.6	91.1	91.4	91.1	92.9	94.1
Money market mutual funds								
39 Retail	524.3	601.3	748.3	837.5	822.0	837.5	861.5	873.4
40 Institution-only	315.6	386.7	527.9	618.9	595.1	618.9	638.2	640.6
Repurchase agreements and Eurodollars								
41 Repurchase agreements ¹²	205.7	250.5	295.4 ⁶	330.0	324.1	330.0	329.2	343.9
42 Eurodollars ¹³	115.7	152.3	154.5	173.2	162.4	173.2	176.5	173.6
Debt components								
43 Federal debt	3,787.9	3,805.8	3,754.9	3,662.5	3,641.4	3,662.5	3,638.4	n.a.
44 Nonfederal debt	10,655.4 ⁵	11,400.5 ²	12,472.9 ⁶	13,650.5	13,550.8	13,650.5	13,744.5	n.a.

Footnotes appear on following page.

NOTES TO TABLE I.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data starting in 1959 are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings deposits (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) Eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and Eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enter-

prises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

5. Demand deposits at commercial banks and foreign-related institutions other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float.

6. Consists of NOW and ATS account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

7. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances.

8. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) Eurodollars (overnight and term) of U.S. addresses.

9. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRAs and Keogh accounts at commercial banks and thrift institutions are subtracted from small time deposits.

10. Large time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

11. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999		1999 ²					2000		2000		
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ³	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	4,520.0	4,583.3	4,607.7	4,639.5	4,702.8	4,781.4	4,788.5	4,810.1	4,800.4	4,792.8	4,801.9	4,818.5
2 Securities in bank credit	1,204.7	1,242.9	1,247.1	1,256.2	1,250.3	1,268.6	1,260.1	1,251.0	1,253.5	1,245.2	1,248.6	1,256.2
3 U.S. government securities	793.3	820.2	817.8	813.8	799.0	803.7	805.2	800.7	804.5	796.7	797.2	803.0
4 Other securities	411.4	422.7	429.3	442.4	451.3	464.9	454.9	450.3	449.1	448.5	451.4	453.2
5 Loans and leases in bank credit ²	3,315.3	3,340.4	3,360.6	3,383.3	3,452.5	3,512.8	3,528.4	3,559.2	3,546.9	3,547.5	3,553.3	3,562.3
6 Commercial and industrial	950.6	972.3	980.3	986.0	1,004.2	1,006.9	1,008.9	1,022.3	1,018.2	1,018.2	1,022.9	1,024.9
7 Real estate	1,348.0	1,380.2	1,396.5	1,420.5	1,434.5	1,472.0	1,489.3	1,504.2	1,493.5	1,498.2	1,502.3	1,506.7
8 Revolving home equity	102.7	99.6	99.4	100.3	101.8	107.3	110.7	112.6	111.8	112.1	112.3	112.9
9 Other	1,245.2	1,280.6	1,297.1	1,320.2	1,332.6	1,364.7	1,378.6	1,391.6	1,381.7	1,386.1	1,390.0	1,393.7
10 Consumer	498.3	479.3	480.2	478.7	482.2	492.6	499.2	503.9	502.6	503.1	503.6	504.3
11 Security ³	139.0	122.4	116.2	111.2	134.1	155.6	147.1	144.6	146.7	143.4	141.4	143.5
12 Other loans and leases	379.4	386.2	387.5	386.9	397.5	385.7	384.0	384.2	385.9	384.5	383.0	382.9
13 Interbank loans	227.9	215.1	208.2	222.6	219.1	223.7	220.7	235.5	226.1	232.2	235.4	239.6
14 Cash assets ⁴	254.6	253.8	264.0	270.1	276.2	290.5	283.3	280.9	270.8	289.5	260.4	285.7
15 Other assets ⁵	355.8	343.8	354.0	358.2	366.2	372.3	387.3	395.0	387.9	389.5	389.9	406.0
16 Total assets ⁶	5,300.0	5,337.3	5,374.7	5,431.3	5,504.9	5,608.0	5,620.6	5,662.4	5,626.0	5,645.0	5,628.4	5,690.7
<i>Liabilities</i>												
17 Deposits	3,378.7	3,384.4	3,394.3	3,434.8	3,482.2	3,533.3	3,547.2	3,572.9	3,561.1	3,561.0	3,558.6	3,575.3
18 Transaction	655.7	635.9	634.0	630.4	623.3	630.2	621.5	621.2	610.7	614.8	607.2	638.8
19 Nontransaction	2,723.0	2,748.4	2,760.3	2,804.5	2,859.0	2,903.1	2,925.7	2,951.6	2,950.4	2,946.2	2,951.4	2,936.6
20 Large time	732.2	718.0	727.7	766.0	806.3	836.7	847.4	853.4	851.7	847.7	858.6	851.3
21 Other	1,990.8	2,030.5	2,032.5	2,038.4	2,052.6	2,065.5	2,078.2	2,098.2	2,098.7	2,098.5	2,092.8	2,085.3
22 Borrowings	994.6	1,028.0	1,047.1	1,045.2	1,061.6	1,123.6	1,130.5	1,129.5	1,129.0	1,124.9	1,108.7	1,144.6
23 From banks in the U.S.	314.1	336.4	340.4	347.6	349.2	346.2	358.6	367.5	359.2	364.8	367.1	369.2
24 From others	680.5	691.6	706.7	697.6	712.3	777.4	771.9	762.0	769.7	760.2	741.6	775.4
25 Net due to related foreign offices	206.6	222.5	218.3	219.8	226.2	221.5	227.9	233.0	219.1	234.7	240.1	222.1
26 Other liabilities	294.3	279.0	282.0	291.5	297.1	298.8	284.4	290.3	297.1	291.4	295.0	291.9
27 Total liabilities	4,874.2	4,913.9	4,941.6	4,991.3	5,067.0	5,177.3	5,189.9	5,225.7	5,206.2	5,212.0	5,202.4	5,233.9
28 Residual (assets less liabilities) ⁷	425.9	423.4	433.0	439.9	437.9	430.7	430.6	436.7	419.7	433.0	426.0	456.7
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	4,517.5	4,562.3	4,597.8	4,643.9	4,716.8	4,797.7	4,798.7	4,806.2	4,809.3	4,790.9	4,799.1	4,802.3
30 Securities in bank credit	1,210.1	1,230.0	1,235.9	1,252.7	1,256.8	1,272.6	1,265.1	1,257.6	1,262.2	1,253.6	1,254.9	1,259.6
31 U.S. government securities	797.5	808.4	807.6	808.2	801.2	805.0	806.5	805.9	802.7	802.7	802.2	807.1
32 Other securities	412.6	421.6	428.3	444.5	455.6	467.7	458.6	451.6	452.9	450.9	452.8	452.5
33 Loans and leases in bank credit ²	3,307.4	3,332.3	3,361.9	3,391.3	3,460.1	3,525.1	3,533.6	3,548.6	3,547.1	3,537.3	3,544.2	3,542.7
34 Commercial and industrial	952.1	963.6	976.4	987.0	1,004.2	1,005.9	1,007.0	1,022.4	1,017.9	1,016.5	1,023.3	1,023.6
35 Real estate	1,342.2	1,382.8	1,400.1	1,424.2	1,439.2	1,474.5	1,488.7	1,497.7	1,495.9	1,495.9	1,496.9	1,496.0
36 Revolving home equity	102.3	99.8	100.2	101.0	102.7	107.7	110.7	112.0	111.6	111.7	111.8	112.2
37 Other	1,239.9	1,283.0	1,300.0	1,323.2	1,336.5	1,366.8	1,378.0	1,385.7	1,378.6	1,384.1	1,385.1	1,383.8
38 Consumer	498.1	480.4	483.1	479.4	482.5	497.5	505.0	503.5	506.2	504.0	503.5	503.2
39 Security ³	138.6	118.7	112.8	112.0	135.5	157.8	147.0	143.5	146.9	139.8	139.5	141.5
40 Other loans and leases	376.3	386.7	389.4	388.6	398.7	389.4	386.0	381.4	386.0	381.1	381.0	378.4
41 Interbank loans	227.7	207.4	204.7	219.2	225.9	230.3	222.1	235.0	226.7	230.9	236.7	234.4
42 Cash assets ⁴	255.7	243.4	261.3	270.4	283.5	307.2	296.8	281.5	271.8	273.5	270.2	295.1
43 Other assets ⁵	352.5	346.6	356.0	355.6	364.7	373.1	379.2	391.3	386.6	384.0	386.9	400.0
44 Total assets ⁶	5,295.2	5,300.7	5,360.3	5,430.0	5,531.4	5,648.5	5,637.8	5,654.9	5,635.4	5,620.5	5,633.9	5,672.8
<i>Liabilities</i>												
45 Deposits	3,355.7	3,370.5	3,392.9	3,437.4	3,508.6	3,565.6	3,544.8	3,548.3	3,541.9	3,528.2	3,541.6	3,541.1
46 Transaction	630.8	619.6	628.2	622.2	632.9	662.7	635.6	615.3	612.0	596.8	610.7	629.7
47 Nontransaction	2,704.9	2,750.8	2,764.7	2,815.2	2,875.7	2,902.9	2,909.3	2,933.0	2,929.9	2,931.5	2,930.8	2,911.5
48 Large time	732.9	715.3	729.2	767.6	811.5	842.5	845.3	854.2	849.3	848.1	857.7	852.2
49 Other	1,972.0	2,035.5	2,035.5	2,047.6	2,064.2	2,060.4	2,064.0	2,078.9	2,080.7	2,083.4	2,073.1	2,089.2
50 Borrowings	997.3	1,004.6	1,042.0	1,048.4	1,068.7	1,125.8	1,147.8	1,130.5	1,149.9	1,124.3	1,114.5	1,142.0
51 From banks in the U.S.	314.4	329.3	336.7	345.3	353.5	352.3	363.9	367.7	363.9	363.8	368.7	368.6
52 From others	682.8	675.2	705.3	703.2	715.2	773.5	783.8	762.9	786.0	760.5	745.7	773.3
53 Net due to related foreign offices	216.2	217.4	214.3	221.5	227.9	227.2	230.8	245.7	219.7	244.1	250.1	248.4
54 Other liabilities	296.7	278.9	280.9	290.0	297.2	299.6	285.3	293.0	298.9	294.4	297.5	294.4
55 Total liabilities	4,865.9	4,871.4	4,930.1	4,997.3	5,102.5	5,218.2	5,208.7	5,217.5	5,210.4	5,191.0	5,203.7	5,225.9
56 Residual (assets less liabilities) ⁷	429.3	429.3	430.2	432.7	428.9	430.3	429.1	437.5	425.0	429.5	430.3	446.9
MEMO												
57 Revaluation gains on off-balance-sheet items ⁸	107.3	96.5	98.5	100.1	99.9	103.9	100.6	104.1	104.8	102.7	107.1	104.8
58 Revaluation losses on off-balance-sheet items ⁸	106.2	98.7	97.2	97.8	98.9	102.3	99.3	104.1	105.7	103.1	107.3	104.9

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999 ^f					2000		2000			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. [†]	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	3,955.8	4,059.6	4,088.7	4,109.8	4,154.6	4,225.5	4,241.6	4,272.8	4,259.4	4,256.6	4,269.5	4,283.2
2 Securities in bank credit	1,002.6	1,052.9	1,057.7	1,060.9	1,051.4	1,062.0	1,061.5	1,064.2	1,061.0	1,057.6	1,064.7	1,070.9
3 U.S. government securities	708.5	736.2	736.1	731.4	719.5	722.1	726.1	727.6	727.4	722.1	725.4	731.5
4 Other securities	294.0	316.7	321.5	329.5	331.9	339.9	335.4	336.6	333.6	335.5	339.3	339.4
5 Loans and leases in bank credit ²	2,953.2	3,006.6	3,031.1	3,048.9	3,103.3	3,163.6	3,180.1	3,208.6	3,198.4	3,199.0	3,204.9	3,212.3
6 Commercial and industrial	739.7	776.9	783.2	787.2	804.2	812.3	814.6	825.1	822.8	822.3	826.7	826.7
7 Real estate	1,327.2	1,362.7	1,379.0	1,403.1	1,417.5	1,455.2	1,472.2	1,486.9	1,476.1	1,481.1	1,485.1	1,489.3
8 Revolving home equity	102.7	99.6	99.4	100.3	101.8	107.3	110.7	112.6	111.8	112.1	112.3	112.9
9 Other	1,224.5	1,263.1	1,279.6	1,302.8	1,315.7	1,347.9	1,361.6	1,374.4	1,364.3	1,368.9	1,372.8	1,376.4
10 Consumer	498.3	479.3	480.2	478.7	482.2	492.6	499.2	503.9	502.6	503.1	503.6	504.3
11 Security ³	79.3	67.5	64.8	56.2	68.8	88.6	80.2	77.8	80.1	77.9	75.9	79.1
12 Other loans and leases	308.7	320.3	323.9	323.6	330.5	315.0	313.9	314.8	316.7	314.7	313.6	312.9
13 Interbank loans	196.5	189.4	185.3	197.1	193.9	195.4	191.4	202.2	193.7	200.2	198.5	205.6
14 Cash assets ⁴	220.0	214.3	221.6	225.2	225.2	235.2	229.5	229.0	221.5	238.0	208.6	232.8
15 Other assets ⁵	318.4	314.8	324.7	326.6	331.7	335.1	348.1	356.5	348.4	350.9	351.7	367.2
16 Total assets ⁶	4,632.5	4,719.6	4,761.3	4,799.8	4,846.3	4,931.6	4,951.6	5,001.7	4,964.1	4,987.0	4,969.4	5,030.0
<i>Liabilities</i>												
17 Deposits	3,056.3	3,075.4	3,083.5	3,106.0	3,124.0	3,155.4	3,161.1	3,188.7	3,176.4	3,178.9	3,172.1	3,192.0
18 Transaction	643.8	624.9	623.2	619.7	612.7	619.4	611.1	610.6	599.8	603.8	596.6	628.2
19 Nontransaction	2,412.5	2,450.4	2,460.3	2,486.2	2,511.3	2,535.9	2,550.0	2,578.1	2,576.6	2,575.0	2,575.5	2,563.8
20 Large time	423.1	423.9	433.0	449.7	460.6	470.3	473.1	481.3	478.9	477.6	483.8	480.4
21 Other	1,989.4	2,026.5	2,027.4	2,036.6	2,050.7	2,065.6	2,076.9	2,096.8	2,097.7	2,097.4	2,091.7	2,083.4
22 Borrowings	811.9	853.5	875.9	868.2	874.8	942.0	948.9	951.9	946.2	947.7	935.7	968.3
23 From banks in the U.S.	296.0	312.9	315.3	325.7	323.2	321.7	336.6	347.0	336.6	344.1	347.0	349.3
24 From others	515.9	540.6	560.6	542.5	551.6	620.3	612.3	604.9	609.7	603.7	588.7	619.0
25 Net due to related foreign offices	117.3	150.4	152.1	166.3	182.2	182.5	194.4	209.4	193.9	207.6	213.9	202.8
26 Other liabilities	224.2	217.5	217.6	226.1	230.2	228.8	215.1	219.4	223.9	221.1	224.1	221.2
27 Total liabilities	4,209.7	4,296.8	4,329.1	4,366.5	4,411.3	4,508.6	4,519.4	4,569.3	4,540.5	4,555.2	4,545.8	4,584.3
28 Residual (assets less liabilities) ⁷	422.8	422.8	432.2	433.3	435.0	423.0	432.1	432.4	423.6	431.7	423.5	445.7
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	3,949.7	4,042.2	4,079.7	4,110.3	4,165.6	4,238.6	4,248.3	4,265.6	4,263.2	4,251.0	4,263.3	4,267.1
30 Securities in bank credit	1,006.4	1,041.3	1,047.2	1,054.7	1,054.7	1,066.9	1,065.9	1,069.1	1,067.2	1,063.7	1,069.4	1,074.3
31 U.S. government securities	712.4	725.4	726.9	725.8	721.3	723.1	727.6	732.4	732.0	727.4	730.1	735.2
32 Other securities	294.0	315.9	320.3	328.9	333.4	343.9	338.3	336.8	335.2	336.3	339.2	339.1
33 Loans and leases in bank credit ²	2,943.3	3,000.9	3,032.5	3,055.6	3,110.9	3,171.7	3,182.3	3,196.5	3,195.9	3,187.3	3,194.0	3,192.8
34 Commercial and industrial	739.3	770.0	779.6	787.2	803.0	808.6	811.0	823.7	821.5	819.3	824.5	824.2
35 Real estate	1,321.1	1,365.4	1,382.6	1,406.6	1,422.1	1,457.6	1,471.5	1,480.1	1,472.6	1,478.4	1,479.4	1,478.3
36 Revolving home equity	102.3	99.8	100.2	101.0	102.7	107.7	110.7	112.0	111.6	111.7	111.8	112.2
37 Other	1,218.7	1,265.6	1,282.5	1,305.6	1,319.4	1,349.9	1,360.8	1,368.1	1,361.0	1,366.6	1,367.5	1,366.1
38 Consumer	498.1	480.4	483.1	479.4	482.5	497.5	505.0	503.5	506.2	504.0	503.5	503.2
39 Security ³	79.3	63.7	61.2	57.4	71.0	90.3	80.1	77.3	80.1	75.0	75.2	78.1
40 Other loans and leases	305.4	321.5	325.9	325.0	332.3	317.7	314.8	311.8	315.6	310.6	311.3	309.0
41 Interbank loans	196.2	181.7	181.7	193.7	200.7	202.1	192.7	201.7	194.3	198.8	199.7	200.5
42 Cash assets ⁴	221.7	204.3	219.1	224.9	231.6	249.5	242.3	230.8	222.8	222.9	219.2	243.7
43 Other assets ⁵	313.9	317.0	326.3	324.1	330.0	334.5	339.7	351.8	346.6	344.1	347.9	360.6
44 Total assets ⁶	4,623.7	4,686.5	4,747.8	4,794.2	4,868.7	4,965.1	4,964.3	4,991.2	4,968.2	4,958.2	4,971.4	5,013.2
<i>Liabilities</i>												
45 Deposits	3,034.6	3,064.1	3,082.5	3,108.5	3,151.0	3,183.4	3,162.0	3,165.4	3,160.6	3,148.2	3,158.1	3,158.2
46 Transaction	639.2	608.7	616.8	611.5	622.5	651.6	625.1	604.8	601.1	586.2	600.3	619.2
47 Nontransaction	2,395.4	2,455.3	2,465.7	2,496.9	2,528.5	2,531.7	2,536.8	2,560.5	2,559.5	2,561.9	2,557.9	2,539.0
48 Large time	425.6	422.1	432.5	451.7	466.6	473.6	475.1	483.9	481.1	480.8	487.1	482.0
49 Other	1,969.8	2,033.2	2,033.2	2,045.3	2,061.9	2,058.1	2,061.7	2,076.6	2,078.4	2,081.1	2,070.8	2,056.9
50 Borrowings	814.5	830.0	870.8	871.5	882.0	944.1	966.1	952.9	967.2	947.1	941.4	965.6
51 From banks in the U.S.	296.4	305.8	311.6	323.4	327.6	327.7	341.9	347.2	341.2	343.1	348.7	348.7
52 From others	518.2	524.2	559.2	548.1	554.4	616.4	624.2	605.8	626.0	604.0	592.8	616.9
53 Net due to related foreign offices	123.4	147.5	149.8	166.2	181.2	183.0	195.4	219.1	194.7	215.2	220.5	224.1
54 Other liabilities	225.0	217.3	216.9	225.2	229.5	228.1	215.8	220.4	224.8	222.3	225.0	222.2
55 Total liabilities	4,197.6	4,258.9	4,320.0	4,371.3	4,443.7	4,538.6	4,539.3	4,557.8	4,547.3	4,532.8	4,545.1	4,570.1
56 Residual (assets less liabilities) ⁷	426.1	427.7	427.8	422.8	425.0	426.5	425.0	433.4	420.9	425.4	426.4	443.1
MEMO												
57 Revaluation gains on off-balance-sheet items ⁸	64.9	58.4	60.1	60.9	59.8	64.5	62.7	64.8	63.6	63.6	67.9	66.3
58 Revaluation losses on off-balance-sheet items ⁸	65.4	62.5	59.8	60.0	59.8	63.9	61.8	64.3	63.9	63.3	67.7	66.0
59 Mortgage-backed securities ⁹	342.1	343.7	346.5	346.6	348.1	347.7	347.7	347.6	345.5	344.9	345.7	349.9

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999 ²					2000		2000			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ¹	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
	Seasonally adjusted											
Assets												
1 Bank credit	2,482.9	2,509.8	2,525.6	2,524.6	2,566.1	2,625.8	2,626.4	2,640.7	2,640.5	2,633.1	2,637.7	2,647.0
2 Securities in bank credit	571.8	597.9	601.0	601.9	598.0	610.8	607.2	605.8	606.0	600.9	607.2	611.0
3 U.S. government securities	387.7	399.4	397.7	391.6	385.6	392.1	391.7	388.5	391.7	384.6	386.8	391.3
4 Trading account	17.9	23.3	20.9	20.0	18.0	19.4	21.4	22.3	25.1	21.7	22.9	23.0
5 Investment account	369.8	376.2	376.8	371.6	367.6	372.7	370.3	366.1	366.7	362.9	363.9	368.3
6 Other securities	184.2	198.5	203.3	210.3	212.4	218.7	215.5	217.4	214.3	216.4	220.4	219.7
7 Trading account	87.5	77.5	78.1	81.7	82.4	87.1	81.8	86.2	84.3	86.0	88.7	87.9
8 Investment account	96.7	121.0	125.2	128.5	129.9	131.7	133.7	131.2	130.1	130.4	131.7	131.8
9 State and local government	24.7	25.7	25.7	25.8	26.4	26.4	26.7	26.9	26.8	27.0	27.0	26.8
10 Other	72.0	95.3	99.5	102.7	103.5	105.3	107.0	104.3	103.3	103.4	104.7	105.0
11 Loans and leases in bank credit ²	1,911.1	1,911.9	1,924.6	1,922.7	1,968.1	2,015.0	2,019.2	2,034.9	2,034.4	2,032.1	2,030.5	2,035.9
12 Commercial and industrial	548.9	573.4	576.8	574.6	589.5	595.8	595.2	603.3	601.9	601.6	604.8	604.3
13 Bankers acceptances	1.2	1.1	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
14 Other	547.8	572.3	575.6	573.5	588.4	594.7	594.2	602.3	600.9	600.5	603.8	603.3
15 Real estate	739.7	738.4	749.7	760.6	769.1	800.8	811.3	817.0	812.3	814.6	815.6	817.6
16 Revolving home equity	74.0	69.4	69.2	69.2	70.6	75.5	78.2	79.5	79.1	79.3	79.3	79.7
17 Other	665.7	669.0	680.6	691.3	698.5	725.3	733.2	737.5	733.2	735.3	736.3	737.9
18 Consumer	308.8	284.8	282.8	281.6	285.5	291.1	294.9	298.8	299.6	299.9	297.8	298.5
19 Security ³	74.0	62.6	59.8	51.3	63.3	83.2	75.0	72.5	74.9	72.5	70.6	73.9
20 Federal funds sold to and repurchase agreements with broker-dealers	58.0	45.4	42.2	34.2	45.2	63.4	53.9	49.1	52.0	48.4	46.6	51.0
21 Other	16.1	17.2	17.6	17.0	18.1	19.8	21.1	23.4	23.0	24.1	24.0	22.9
22 State and local government	11.6	12.2	12.3	12.3	12.2	12.1	12.3	12.4	12.3	12.3	12.4	12.4
23 Agricultural	9.2	8.9	9.2	9.6	9.6	9.6	9.8	10.1	10.0	10.0	10.0	10.1
24 Federal funds sold to and repurchase agreements with others	12.8	7.9	11.2	10.0	12.3	11.8	11.2	11.3	11.0	11.1	10.8	11.6
25 All other loans	92.5	100.4	98.0	95.6	97.5	80.5	79.3	79.7	82.0	79.7	78.5	78.1
26 Lease-financing receivables	113.5	123.4	124.7	127.0	129.2	130.1	130.1	129.8	130.4	130.3	130.0	129.4
27 Interbank loans	135.7	138.4	136.5	149.9	141.6	141.8	138.9	146.8	140.0	144.7	142.3	150.2
28 Federal funds sold to and repurchase agreements with commercial banks	84.9	86.7	83.8	92.4	73.8	70.9	66.0	73.2	64.8	70.9	68.8	75.3
29 Other	50.9	51.7	52.7	57.6	67.8	70.9	72.8	73.6	75.2	73.8	73.6	74.9
30 Cash assets ⁴	152.9	143.5	150.2	154.3	153.2	159.8	160.5	160.9	153.4	169.8	144.4	162.7
31 Other assets ⁵	248.7	236.5	246.7	244.4	250.3	252.6	261.2	272.2	263.7	266.3	269.1	282.4
32 Total assets ⁶	2,981.2	2,989.5	3,020.0	3,034.2	3,072.1	3,140.6	3,148.5	3,182.5	3,159.3	3,175.9	3,155.4	3,204.1
Liabilities												
33 Deposits	1,725.4	1,709.7	1,715.8	1,716.7	1,724.4	1,738.3	1,734.0	1,744.5	1,743.1	1,741.4	1,732.2	1,741.7
34 Transaction	365.2	342.8	343.7	340.1	335.7	343.5	337.2	335.0	328.2	332.3	324.2	344.6
35 Nontransaction	1,360.2	1,366.9	1,372.0	1,376.6	1,388.7	1,394.9	1,396.8	1,409.6	1,414.8	1,409.1	1,408.0	1,397.1
36 Large time	233.8	227.7	235.5	245.7	252.7	260.4	261.7	265.9	265.9	263.5	268.1	264.3
37 Other	1,126.4	1,139.2	1,136.5	1,131.0	1,136.0	1,134.4	1,135.0	1,143.6	1,149.0	1,145.6	1,139.8	1,132.9
38 Borrowings	640.2	653.8	671.4	667.5	675.5	735.9	735.7	735.6	734.7	734.1	723.1	749.9
39 From banks in the U.S.	216.3	220.2	222.3	238.7	238.4	237.6	250.6	260.4	251.1	259.6	261.5	263.5
40 From others	423.9	433.7	449.0	428.8	437.1	498.3	485.1	475.3	483.6	474.5	461.6	486.4
41 Net due to related foreign offices	114.1	147.0	148.7	162.0	177.7	178.0	189.3	204.1	188.6	202.5	209.0	197.3
42 Other liabilities	195.5	184.9	183.9	191.1	195.5	193.7	181.5	183.6	188.7	185.3	187.4	184.9
43 Total liabilities	2,675.1	2,695.4	2,719.8	2,737.3	2,773.0	2,845.9	2,840.5	2,867.9	2,855.0	2,863.3	2,851.6	2,873.7
44 Residual (assets less liabilities) ⁷	306.1	294.1	300.3	296.9	299.0	294.7	307.9	314.6	304.3	312.6	303.8	330.4

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks—Continued

Account	Monthly averages								Wednesday figures			
	1999	1999 ^e						2000	2000			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Not seasonally adjusted												
<i>Assets</i>												
45 Bank credit	2,487.6	2,490.3	2,513.4	2,526.3	2,580.0	2,640.8	2,640.0	2,645.0	2,653.2	2,637.8	2,643.7	2,643.5
46 Securities in bank credit	577.9	587.9	592.8	598.8	603.5	615.9	612.1	612.8	614.0	608.4	614.3	616.9
47 U.S. government securities	393.1	390.4	390.3	389.0	389.7	393.0	393.7	394.7	397.8	390.8	393.4	396.8
48 Trading account	18.6	22.2	20.7	20.8	19.9	20.0	21.7	23.2	25.6	21.7	23.9	23.5
49 Investment account	374.5	368.3	369.6	368.2	369.7	373.0	372.0	371.6	372.2	369.1	369.5	373.2
50 Mortgage-backed securities	258.2	243.1	246.3	244.3	244.7	244.5	242.8	243.2	240.0	240.7	241.6	245.7
51 Other	116.3	125.2	123.3	123.8	125.0	128.5	129.2	128.4	132.2	128.4	127.9	127.6
52 One year or less	26.6	25.2	24.8	25.6	23.9	25.2	26.1	30.3	28.9	29.4	29.6	30.2
53 One to five years	48.6	59.9	59.1	59.9	60.6	61.6	61.2	58.0	61.6	58.8	58.0	57.6
54 More than five years	41.1	40.0	39.4	38.3	40.4	41.7	41.9	40.1	41.7	40.2	40.4	39.8
55 Other securities	184.8	197.4	202.6	209.8	213.9	222.9	218.5	218.0	216.2	217.7	221.0	220.1
56 Trading account	87.5	77.5	78.1	81.7	82.4	87.1	81.8	86.2	84.3	86.0	88.7	87.9
57 Investment account	97.3	120.0	124.5	128.1	131.5	135.8	136.7	131.9	131.9	131.7	132.3	132.1
58 State and local government	24.8	25.4	25.6	25.9	26.6	26.6	26.9	27.0	26.9	27.1	27.1	26.9
59 Other	72.5	94.6	98.9	102.2	104.9	109.2	109.7	104.9	105.0	104.6	105.2	105.2
60 Loans and leases in bank credit ²	1,909.7	1,902.5	1,920.6	1,927.5	1,976.5	2,024.9	2,027.8	2,032.2	2,039.2	2,029.4	2,029.4	2,026.6
61 Commercial and industrial	548.9	567.6	574.3	576.1	589.8	593.1	592.5	602.3	601.2	599.3	603.3	602.2
62 Bankers acceptances	1.2	1.1	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
63 Other	547.7	566.6	573.2	575.0	588.7	592.0	591.4	601.3	598.2	598.2	602.3	601.2
64 Real estate	738.4	739.0	750.0	762.6	773.2	805.1	814.6	815.4	813.1	816.8	815.3	812.2
65 Revolving home equity	73.7	69.7	69.6	69.8	71.2	75.7	78.2	79.1	78.8	79.0	78.9	79.1
66 Other	408.8	408.4	413.3	419.7	426.0	450.3	453.5	451.7	450.7	453.7	451.8	448.3
67 Commercial	255.9	260.9	267.1	273.1	276.1	279.1	282.9	284.6	283.6	284.1	284.6	284.8
68 Consumer	309.2	285.3	284.7	281.6	285.3	294.2	300.0	299.3	302.8	301.2	298.5	298.4
69 Security ³	74.1	58.8	56.3	52.4	65.5	84.9	74.9	72.0	74.9	69.6	69.9	72.9
70 Federal funds sold to and repurchase agreements with broker-dealers	58.5	41.9	38.9	35.3	47.5	64.6	54.5	49.6	53.3	47.5	47.2	50.5
71 Other	15.6	16.9	17.4	17.1	18.0	20.2	20.4	22.5	21.6	22.2	22.7	22.4
72 State and local government	11.7	12.3	12.4	12.4	12.3	12.2	12.3	12.4	12.3	12.3	12.4	12.4
73 Agricultural	8.8	9.1	9.5	9.8	9.6	9.6	9.8	9.7	9.7	9.7	9.7	9.7
74 Federal funds sold to and repurchase agreements with others	12.8	7.9	11.2	10.0	12.3	11.8	11.2	11.3	11.0	11.1	10.8	11.6
75 All other loans	91.1	99.6	98.6	96.6	100.7	84.5	80.5	78.6	82.2	77.5	78.0	76.4
76 Lease-financing receivables	114.8	122.8	123.5	126.1	127.8	129.5	132.1	131.2	132.0	131.8	131.5	130.8
77 Interbank loans	135.5	133.3	134.2	145.4	142.3	144.4	140.3	146.6	141.1	142.9	144.1	147.8
78 Federal funds sold to and repurchase agreements with commercial banks	85.5	81.8	81.9	88.6	76.6	74.6	68.9	74.0	68.6	71.1	71.0	73.3
79 Other	50.1	51.5	52.3	56.7	65.6	69.8	71.3	72.6	72.5	71.8	73.0	74.5
80 Cash assets ⁴	153.6	136.7	149.0	154.8	157.4	170.5	170.2	161.5	153.9	157.0	152.4	171.0
81 Other assets ⁵	245.6	238.0	248.0	241.8	246.9	252.0	256.3	269.1	263.2	262.2	266.5	276.9
82 Total assets⁶	2,983.4	2,959.3	3,005.3	3,029.4	3,087.4	3,168.4	3,168.7	3,184.2	3,173.3	3,161.9	3,168.7	3,201.4
<i>Liabilities</i>												
83 Deposits	1,721.2	1,699.8	1,711.8	1,715.4	1,738.7	1,761.7	1,743.1	1,738.7	1,740.6	1,728.5	1,734.9	1,729.5
84 Transaction	362.3	333.5	340.3	334.9	341.8	365.2	347.2	330.9	329.3	318.4	328.0	339.1
85 Nontransaction	1,358.9	1,366.3	1,371.4	1,380.4	1,396.9	1,396.5	1,395.9	1,407.8	1,411.3	1,410.1	1,406.9	1,390.4
86 Large time	236.2	225.9	235.1	247.7	258.7	263.7	263.8	268.5	268.0	266.7	271.4	266.0
87 Other	1,122.7	1,140.4	1,136.4	1,132.7	1,138.1	1,133.8	1,132.2	1,139.3	1,143.2	1,143.4	1,135.6	1,124.4
88 Borrowings	645.4	630.3	663.6	667.9	680.4	736.1	752.8	739.8	755.1	737.3	730.5	750.2
89 From banks in the U.S.	217.8	213.8	218.2	234.5	240.9	241.6	255.2	261.8	255.4	260.2	263.9	263.9
90 From nonbanks in the U.S.	427.6	416.5	445.5	433.4	439.5	494.4	497.6	478.0	499.7	477.1	466.7	486.3
91 Net due to related foreign offices	120.2	144.0	146.4	161.9	176.7	178.6	190.4	213.9	189.4	210.1	215.6	218.6
92 Other liabilities	195.5	184.9	183.9	191.1	195.5	193.7	181.5	183.6	188.7	185.3	187.4	184.9
93 Total liabilities	2,682.3	2,659.0	2,705.6	2,736.3	2,791.3	2,870.1	2,867.7	2,876.0	2,873.8	2,861.3	2,868.5	2,883.2
94 Residual (assets less liabilities) ⁷	301.1	300.3	299.7	293.1	296.1	298.4	300.9	308.3	299.4	300.6	300.3	318.2
MEMO												
95 Revaluation gains on off-balance-sheet items ⁸	64.9	58.4	60.1	60.9	59.8	64.5	62.7	64.8	63.6	63.6	67.9	66.3
96 Revaluation losses on off-balance-sheet items ⁸	65.4	62.5	59.8	60.0	59.8	63.9	61.8	64.3	63.9	63.3	67.7	66.0
97 Mortgage-backed securities ⁹	286.6	278.6	281.0	279.4	282.1	282.1	279.8	278.4	277.3	276.2	276.9	280.4
98 Pass-through securities	191.4	186.8	185.4	184.8	187.9	188.8	187.9	190.3	189.0	187.8	188.8	192.4
99 CMOs, REMICs, and other mortgage-backed securities	95.2	91.7	95.6	94.6	94.2	93.2	92.0	88.2	88.3	88.4	88.2	88.0
100 Net unrealized gains (losses) on available-for-sale securities ¹⁰	2.3	-4.2	-4.9	-5.6	-5.8	-6.0	-7.4	-7.8	-8.1	-7.8	-7.9	-7.8
101 Offshore credit to U.S. residents ¹¹	38.9	32.2	27.8	26.7	24.8	24.0	23.2	23.6	23.5	23.2	23.8	23.9

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999 ²						2000	2000			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ²	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Seasonally adjusted												
Assets												
1 Bank credit	1,472.8	1,549.8	1,563.1	1,585.2	1,588.6	1,599.8	1,615.3	1,632.0	1,618.9	1,623.6	1,631.8	1,636.2
2 Securities in bank credit	430.7	455.0	456.7	459.0	453.4	451.2	454.3	458.4	455.0	456.7	457.5	459.9
3 U.S. government securities	320.9	336.8	338.5	339.8	333.9	330.0	334.4	339.1	335.7	337.5	338.6	340.2
4 Other securities	109.9	118.2	118.2	119.3	119.5	121.2	119.9	119.3	119.3	119.2	118.9	119.7
5 Loans and leases in bank credit ³	1,042.1	1,094.7	1,106.4	1,126.2	1,135.2	1,148.6	1,161.0	1,173.7	1,164.0	1,166.9	1,174.3	1,176.4
6 Commercial and industrial	190.8	203.6	206.4	212.6	214.7	216.5	219.3	221.8	220.9	220.7	221.9	222.4
7 Real estate	587.5	624.3	629.3	642.5	648.4	654.4	660.9	669.9	663.8	666.5	669.5	671.7
8 Revolving home equity	28.7	30.2	30.3	31.0	31.3	31.8	32.5	33.1	32.7	32.8	33.0	33.3
9 Other	558.7	594.1	599.0	611.5	617.2	622.6	628.4	636.9	631.1	633.6	636.5	638.4
10 Consumer	189.5	194.5	197.4	197.2	196.7	201.5	204.3	205.1	203.0	203.3	205.8	205.9
11 Security ³	5.3	4.9	4.9	5.0	5.5	5.4	5.2	5.3	5.2	5.3	5.3	5.2
12 Other loans and leases	69.1	67.4	68.4	69.0	69.8	70.9	71.2	71.5	71.1	71.2	71.9	71.2
13 Interbank loans	60.7	50.9	48.7	47.2	52.3	53.6	52.5	55.4	53.7	55.5	56.1	55.4
14 Cash assets ⁴	67.1	70.8	71.4	70.9	72.0	75.4	69.0	68.2	68.1	68.2	64.2	70.1
15 Other assets ⁵	69.6	78.3	78.0	82.2	81.4	82.6	86.9	84.2	84.7	84.6	82.6	84.9
16 Total assets ⁶	1,651.4	1,730.1	1,741.3	1,765.7	1,774.2	1,791.0	1,803.1	1,819.1	1,804.8	1,811.1	1,814.0	1,825.9
Liabilities												
17 Deposits	1,331.0	1,365.7	1,367.7	1,389.3	1,399.6	1,417.0	1,427.1	1,444.2	1,433.3	1,437.4	1,439.9	1,450.2
18 Transaction	278.7	282.2	279.4	279.7	277.0	276.0	273.9	275.6	271.5	271.5	272.4	283.6
19 Nontransaction	1,052.3	1,083.5	1,088.3	1,109.6	1,122.6	1,141.1	1,153.2	1,168.6	1,161.8	1,165.9	1,167.6	1,166.6
20 Large time	189.3	196.2	197.4	204.0	207.9	209.9	211.4	215.4	213.1	214.1	215.7	216.1
21 Other	863.0	887.3	890.9	905.6	914.7	931.1	941.8	953.2	948.7	951.8	951.9	950.6
22 Borrowings	171.7	199.7	204.5	200.7	199.3	206.1	213.2	216.2	211.6	213.6	212.6	218.4
23 From banks in the U.S.	79.7	92.7	93.0	87.0	84.9	84.1	85.9	86.6	85.5	84.5	85.6	85.8
24 From others	92.0	106.9	111.6	113.8	114.4	122.0	127.2	129.6	126.1	129.2	127.1	132.6
25 Net due to related foreign offices	3.2	3.5	3.4	4.3	4.5	4.5	5.1	5.2	5.3	5.1	4.9	5.5
26 Other liabilities	28.7	32.6	33.7	35.0	34.7	35.1	33.6	35.8	35.2	35.8	36.7	36.4
27 Total liabilities	1,534.6	1,601.4	1,609.3	1,629.3	1,638.2	1,662.6	1,678.9	1,701.4	1,685.4	1,691.9	1,694.3	1,710.6
28 Residual (assets less liabilities) ⁷	116.8	128.7	132.0	136.4	136.0	128.3	124.2	117.7	119.3	119.2	119.7	115.3
Not seasonally adjusted												
Assets												
29 Bank credit	1,462.1	1,551.9	1,566.3	1,584.0	1,585.5	1,597.8	1,608.3	1,620.6	1,610.0	1,613.1	1,619.6	1,623.6
30 Securities in bank credit	428.5	453.4	454.3	455.9	451.2	451.0	453.8	456.3	453.2	455.3	455.0	457.4
31 U.S. government securities	319.3	335.0	336.6	336.8	331.6	330.1	334.0	337.6	334.2	336.6	336.8	338.5
32 Other securities	109.2	118.4	117.7	119.1	119.6	120.9	119.8	118.7	119.0	118.6	118.3	119.0
33 Loans and leases in bank credit ³	1,033.6	1,098.5	1,112.0	1,128.1	1,134.4	1,146.8	1,154.5	1,164.3	1,156.7	1,157.9	1,164.6	1,166.2
34 Commercial and industrial	190.4	202.3	205.3	211.1	213.2	215.5	218.5	221.4	220.3	220.0	221.3	222.0
35 Real estate	582.7	626.4	632.7	644.0	648.9	652.6	656.8	664.8	659.5	661.6	664.1	666.1
36 Revolving home equity	28.6	30.1	30.5	31.2	31.6	32.0	32.5	33.0	32.7	32.8	32.9	33.1
37 Other	554.0	596.3	602.1	612.7	617.4	620.5	624.4	631.8	626.8	628.8	631.2	633.0
38 Consumer	188.9	195.1	198.5	197.8	197.2	203.2	205.0	204.2	203.4	202.8	205.0	204.8
39 Security ³	5.3	4.9	4.9	5.0	5.5	5.4	5.2	5.3	5.2	5.3	5.3	5.2
40 Other loans and leases	66.3	69.7	70.6	70.2	69.6	70.1	69.0	68.6	68.4	68.1	68.9	68.1
41 Interbank loans	60.7	48.4	47.5	48.3	58.4	57.7	52.4	55.1	53.2	55.9	55.6	52.6
42 Cash assets ⁴	68.1	67.6	70.1	70.1	74.2	79.0	72.1	69.2	68.9	65.9	66.8	72.6
43 Other assets ⁵	68.4	79.0	78.4	82.2	83.1	82.5	83.4	82.7	83.4	81.9	81.4	83.7
44 Total assets ⁶	1,640.3	1,727.2	1,742.4	1,764.8	1,781.3	1,796.7	1,795.6	1,807.0	1,794.9	1,796.3	1,802.7	1,811.8
Liabilities												
45 Deposits	1,313.4	1,364.3	1,370.8	1,393.1	1,412.3	1,421.6	1,418.9	1,426.6	1,420.0	1,419.7	1,423.2	1,428.7
46 Transaction	276.9	275.3	276.5	276.6	280.7	286.4	277.9	274.0	271.8	267.9	272.2	280.1
47 Nontransaction	1,036.5	1,089.0	1,094.3	1,116.5	1,131.6	1,135.2	1,140.9	1,152.7	1,148.2	1,151.8	1,151.0	1,148.6
48 Large time	189.3	196.2	197.4	204.0	207.9	209.9	211.4	215.4	213.1	214.1	215.7	216.1
49 Other	847.2	892.8	896.8	912.5	923.7	925.3	929.6	937.3	935.2	937.7	935.3	932.5
50 Borrowings	169.1	199.7	207.2	203.6	201.6	208.0	213.4	213.2	212.1	209.7	210.9	215.4
51 From banks in the U.S.	78.5	92.0	93.4	88.9	86.6	86.1	86.7	85.4	85.8	82.9	84.8	84.8
52 From others	90.6	107.7	113.7	114.7	115.0	121.9	126.7	127.8	126.2	126.9	126.1	130.7
53 Net due to related foreign offices	3.2	3.5	3.4	4.3	4.5	4.5	5.1	5.2	5.3	5.1	4.9	5.5
54 Other liabilities	29.5	32.4	33.0	34.1	34.0	34.4	34.2	36.8	36.1	37.0	37.6	37.3
55 Total liabilities	1,515.3	1,599.8	1,614.4	1,635.0	1,652.4	1,668.6	1,671.5	1,681.8	1,673.5	1,671.5	1,676.6	1,686.9
56 Residual (assets less liabilities) ⁷	125.0	127.4	128.1	129.7	128.9	128.1	124.1	125.2	121.4	124.8	126.1	124.9
MEMO												
57 Mortgage-backed securities ⁹	55.6	65.1	65.5	67.3	66.0	65.6	67.8	69.2	68.2	68.7	68.8	69.4

Footnotes appear on p. A21.

A20 Domestic Financial Statistics □ May 2000

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	1999 ²						2000	2000			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ³	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	564.2	523.8	519.0	529.7	548.2	555.9	546.9	537.4	541.0	536.1	532.3	535.3
2 Securities in bank credit	202.1	190.0	189.4	195.3	198.9	206.6	198.6	186.8	192.5	187.6	183.9	185.3
3 U.S. government securities	84.7	84.0	81.6	82.4	79.5	81.6	79.2	73.1	77.1	74.7	71.8	71.5
4 Other securities	117.4	106.0	107.8	112.8	119.4	125.0	119.5	113.7	115.4	113.0	112.1	113.8
5 Loans and leases in bank credit ²	362.1	333.8	329.6	334.4	349.2	349.2	348.3	350.6	348.5	348.5	348.4	350.0
6 Commercial and industrial	210.9	195.3	197.1	198.8	199.9	194.6	194.3	197.1	195.4	196.0	196.3	198.2
7 Real estate	20.8	17.5	17.5	17.4	17.0	16.9	17.0	17.3	17.4	17.2	17.2	17.3
8 Security ³	59.6	55.0	51.4	54.9	65.3	67.0	66.9	66.7	66.6	65.5	65.5	64.4
9 Other loans and leases	70.7	66.0	63.6	63.3	67.0	70.7	70.0	69.5	69.2	69.8	69.4	70.1
10 Interbank loans	31.5	25.7	22.9	25.5	25.2	28.3	29.4	33.3	32.4	32.0	37.0	33.9
11 Cash assets ⁴	34.7	39.5	42.4	44.9	51.1	55.4	53.8	51.8	49.3	51.5	51.8	53.0
12 Other assets ⁵	37.4	29.0	29.3	31.6	34.5	37.2	39.2	38.5	39.4	38.7	38.2	38.8
13 Total assets ⁶	667.5	617.7	613.4	631.4	658.7	676.4	669.0	660.7	661.9	658.1	659.0	660.7
<i>Liabilities</i>												
14 Deposits	322.4	309.0	310.8	328.9	358.2	377.9	386.1	384.2	384.7	382.1	386.5	383.4
15 Transaction	11.8	11.0	10.8	10.6	10.5	10.7	10.4	10.7	10.9	11.0	10.6	10.6
16 Nontransaction	310.5	298.0	299.9	318.2	347.7	367.2	375.7	373.5	373.8	371.2	375.9	372.8
17 Borrowings	182.7	174.6	171.2	176.9	186.8	181.7	181.6	177.6	182.7	177.2	173.0	176.4
18 From banks in the U.S.	18.1	23.5	25.1	21.9	26.0	24.5	22.1	20.5	22.6	20.7	20.1	19.9
19 From others	164.7	151.0	146.1	155.1	160.8	157.2	159.6	157.1	160.1	156.5	153.0	156.4
20 Net due to related foreign offices	89.3	72.0	66.1	53.5	44.0	39.0	33.5	23.7	25.2	27.1	26.2	19.4
21 Other liabilities	70.1	61.5	64.4	65.5	66.8	70.1	69.3	71.0	73.2	70.4	70.8	70.6
22 Total liabilities	664.5	617.1	612.5	624.8	655.8	668.7	670.5	656.4	665.8	656.8	656.6	649.7
23 Residual (assets less liabilities) ⁷	3.0	.6	.8	6.6	2.9	7.7	-1.5	4.3	-3.9	1.3	2.5	11.0
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	567.8	520.0	518.1	533.6	551.3	559.1	550.4	540.5	546.1	540.0	535.8	535.2
25 Securities in bank credit	203.7	188.7	188.7	197.9	202.0	205.7	199.1	188.4	195.0	189.9	185.6	185.3
26 U.S. government securities	85.1	83.0	80.7	82.4	79.9	81.9	78.9	73.5	77.3	75.3	72.0	71.9
27 Trading account	20.0	16.5	14.9	14.3	8.5	6.7	7.5	7.3	9.3	7.8	6.3	6.6
28 Investment account	65.1	66.5	65.9	68.0	71.5	75.2	71.4	66.3	68.0	67.5	65.8	65.3
29 Other securities	118.6	105.7	108.0	115.6	122.1	123.8	120.3	114.9	117.7	114.6	113.5	113.4
30 Trading account	70.8	64.9	69.3	69.3	80.7	80.6	76.0	73.1	73.8	72.6	71.9	72.1
31 Investment account	47.8	40.9	38.7	46.2	41.5	43.2	44.3	41.8	43.9	42.0	41.6	41.3
32 Loans and leases in bank credit ²	364.1	331.3	329.4	335.7	349.2	353.3	351.3	352.1	351.2	350.0	350.2	349.9
33 Commercial and industrial	212.8	193.6	196.7	199.9	201.2	197.3	196.0	198.7	196.4	197.2	198.7	199.4
34 Real estate	21.2	17.4	17.5	17.6	17.1	16.9	17.2	17.6	17.6	17.5	17.5	17.7
35 Security ³	59.3	55.0	51.6	54.6	64.5	67.5	66.9	66.2	66.8	64.8	64.3	63.4
36 Other loans and leases	70.9	65.2	63.6	63.6	66.4	71.6	71.2	69.6	70.4	70.5	69.7	69.4
37 Interbank loans	31.5	25.7	22.9	25.5	25.2	28.3	29.4	33.3	32.4	32.0	37.0	33.9
38 Cash assets ⁴	34.0	39.1	42.1	45.5	51.8	57.7	54.5	50.7	49.0	50.6	51.0	51.4
39 Other assets ⁵	38.5	29.6	29.7	31.5	34.6	38.7	39.5	39.5	40.0	40.0	39.0	39.4
40 Total assets ⁶	671.5	614.2	612.6	635.8	662.7	683.4	673.5	663.7	667.2	662.3	662.5	659.6
<i>Liabilities</i>												
41 Deposits	321.1	306.4	310.3	328.9	357.7	382.3	382.9	383.0	381.3	380.1	383.4	383.0
42 Transaction	11.6	10.9	11.3	10.6	10.4	11.1	10.4	10.5	10.8	10.5	10.5	10.5
43 Nontransaction	309.5	295.5	299.0	318.3	347.2	371.2	372.4	372.5	370.5	369.5	372.9	372.5
44 Borrowings	182.7	174.6	171.2	176.9	186.8	181.7	181.6	177.6	182.7	177.2	173.0	176.4
45 From banks in the U.S.	18.1	23.5	25.1	21.9	26.0	24.5	22.1	20.5	22.6	20.7	20.1	19.9
46 From others	164.7	151.0	146.1	155.1	160.8	157.2	159.6	157.1	160.1	156.5	153.0	156.4
47 Net due to related foreign offices	92.8	69.9	64.6	55.3	46.7	44.2	35.3	26.5	25.0	28.9	29.6	24.3
48 Other liabilities	71.7	61.7	64.0	64.8	67.7	71.5	69.5	72.6	74.1	72.1	72.6	72.2
49 Total liabilities	668.4	612.5	610.1	626.0	658.8	679.6	669.4	659.7	663.1	658.2	658.6	655.8
50 Residual (assets less liabilities) ⁷	3.2	1.7	2.4	9.8	3.9	3.8	4.1	4.0	4.1	4.1	3.9	3.9
<i>MEMO</i>												
51 Revaluation gains on off-balance-sheet items ⁸	42.4	38.1	38.4	39.2	40.1	39.4	38.0	39.4	41.1	39.1	39.2	38.5
52 Revaluation losses on off-balance-sheet items ⁸	40.7	36.3	37.4	37.8	39.1	38.4	37.5	39.8	41.8	39.8	39.6	38.9

Footnotes appear on p. A21.

NOTES TO TABLE 1.26

NOTE. Tables 1.26, 1.27, and 1.28 have been revised to reflect changes in the Board's H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States." Table 1.27, "Assets and Liabilities of Large Weekly Reporting Commercial Banks," and table 1.28, "Large Weekly Reporting U.S. Branches and Agencies of Foreign Banks," are no longer being published in the *Bulletin*. Instead, abbreviated balance sheets for both large and small domestically chartered banks have been included in table 1.26, parts C and D. Data are both merger-adjusted and break-adjusted. In addition, data from large weekly reporting U.S. branches and agencies of foreign banks have been replaced by balance sheet estimates of all foreign-related institutions and are included in table 1.26, part E. These data are break-adjusted.

The not-seasonally-adjusted data for all tables now contain additional balance sheet items, which were available as of October 2, 1996.

1. Covers the following types of institutions in the fifty states and the District of Columbia: domestically chartered commercial banks that submit a weekly report of condition (large domestic); other domestically chartered commercial banks (small domestic); branches and agencies of foreign banks, and Edge Act and agreement corporations (foreign-related institutions). Excludes International Banking Facilities. Data are Wednesday values or *pro rata* averages of Wednesday values. Large domestic banks constitute a universe; data for small domestic banks and foreign-related institutions are estimates based on weekly samples and on quarter-end condition reports. Data are adjusted for breaks caused by reclassifications of assets and liabilities.

The data for large and small domestic banks presented on pp. A17–19 are adjusted to remove the estimated effects of mergers between these two groups. The adjustment for mergers changes past levels to make them comparable with current levels. Estimated quantities of balance sheet items acquired in mergers are removed from past data for the bank

group that contained the acquired bank and put into past data for the group containing the acquiring bank. Balance sheet data for acquired banks are obtained from Call Reports, and a ratio procedure is used to adjust past levels.

2. Excludes federal funds sold to, reverse RPs with, and loans made to commercial banks in the United States, all of which are included in "Interbank loans."

3. Consists of reverse RPs with brokers and dealers and loans to purchase and carry securities.

4. Includes vault cash, cash items in process of collection, balances due from depository institutions, and balances due from Federal Reserve Banks.

5. Excludes the due-from position with related foreign offices, which is included in "Net due to related foreign offices."

6. Excludes unearned income, reserves for losses on loans and leases, and reserves for transfer risk. Loans are reported gross of these items.

7. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis. On a seasonally adjusted basis this item reflects any differences in the seasonal patterns estimated for total assets and total liabilities.

8. Fair value of derivative contracts (interest rate, foreign exchange rate, other commodity and equity contracts) in a gain/loss position, as determined under FASB Interpretation No. 39.

9. Includes mortgage-backed securities issued by U.S. government agencies, U.S. government-sponsored enterprises, and private entities.

10. Difference between fair value and historical cost for securities classified as available-for-sale under FASB Statement No. 115. Data are reported net of tax effects. Data shown are restated to include an estimate of these tax effects.

11. Mainly commercial and industrial loans but also includes an unknown amount of credit extended to other than nonfinancial businesses.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					1999					2000
	1995	1996	1997	1998	1999	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 All issuers	674,904	775,371	966,699	1,163,303	1,403,023	1,257,658	1,274,726	1,321,163	1,369,100	1,403,023	1,407,789
Financial companies ¹											
2 Dealer-placed paper, total ²	275,815	361,147	513,307	614,142	786,643	710,320	718,380	751,245	802,194	786,643	821,870
3 Directly placed paper, total ³	210,829	229,662	252,536	322,030	337,240	290,228	293,381	296,998	299,777	337,240	299,599
4 Nonfinancial companies ⁴	188,260	184,563	200,857	227,132	279,140	257,110	262,965	272,920	267,128	279,140	286,319

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2. Includes all financial-company paper sold by dealers in the open market.

3. As reported by financial companies that place their paper directly with investors.

4. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

B. Bankers Dollar Acceptances¹Millions of dollars, not seasonally adjusted, year ending September²

Item	1996	1997	1998	1999
1 Total amount of reporting banks' acceptances in existence	25,832	25,774	14,363	10,094
2 Amount of other banks' eligible acceptances held by reporting banks	709	736	523	461
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	7,770	6,862	4,884	4,261
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	9,361	10,467	5,413	3,498

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).

2. Data on bankers dollar acceptances are gathered from approximately 55 institutions; includes U.S. chartered commercial banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1997—Jan. 1	8.25	1997	8.44	1998—Jan.	8.50	1999—Jan.	7.75
Mar. 26	8.50	1998	8.35	Feb.	8.50	Feb.	7.75
		1999	8.00	Mar.	8.50	Mar.	7.75
1998—Sept. 30	8.25			Apr.	8.50	Apr.	7.75
Oct. 16	8.00	1997—Jan.	8.25	May	8.50	May	7.75
Nov. 18	7.75	Feb.	8.25	June	8.50	June	7.75
		Mar.	8.30	July	8.50	July	8.00
1999—July 1	8.00	Apr.	8.50	Aug.	8.50	Aug.	8.06
Aug. 25	8.25	May	8.50	Sept.	8.49	Sept.	8.25
Nov. 17	8.50	June	8.50	Oct.	8.12	Oct.	8.25
		July	8.50	Nov.	7.89	Nov.	8.37
2000—Feb. 3	8.75	Aug.	8.50	Dec.	7.75	Dec.	8.50
Mar. 22	9.00	Sept.	8.50			2000—Jan.	8.50
		Oct.	8.50			Feb.	8.73
		Nov.	8.50			Mar.	8.83
		Dec.	8.50				

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call

Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

Percent per year; figures are averages of business day data unless otherwise noted

Item	1997	1998	1999	1999		2000		2000, week ending				
				Nov.	Dec.	Jan.	Feb.	Jan. 28	Feb. 4	Feb. 11	Feb. 18	Feb. 25
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	5.46	5.35	4.97	5.42	5.30	5.45	5.73	5.43	5.66	5.71	5.75	5.72
2 Discount window borrowing ^{2,4}	5.00	4.92	4.62	4.86	5.00	5.00	5.24	5.00	5.04	5.25	5.25	5.25
Commercial paper ^{3,5,6}												
Nonfinancial												
3 1-month	5.57	5.40	5.09	5.37	5.97	5.59	5.76	5.64	5.77	5.75	5.75	5.76
4 2-month	5.57	5.38	5.14	5.82	5.91	5.67	5.81	5.71	5.80	5.80	5.80	5.83
5 3-month	5.56	5.34	5.18	5.81	5.87	5.74	5.87	5.79	5.85	5.86	5.86	5.88
Financial												
6 1-month	5.59	5.42	5.11	5.38	6.02	5.62	5.78	5.65	5.79	5.77	5.77	5.77
7 2-month	5.59	5.40	5.16	5.85	5.95	5.72	5.84	5.74	5.82	5.84	5.84	5.87
8 3-month	5.60	5.37	5.22	5.85	5.93	5.81	5.90	5.82	5.88	5.88	5.90	5.92
Commercial paper (historical) ^{3,5,7}												
9 1-month	5.54	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 3-month	5.58	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 6-month	5.62	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finance paper, directly placed (historical) ^{3,5,8}												
12 1-month	5.44	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 3-month	5.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 6-month	5.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bankers acceptances ^{3,5,9}												
15 3-month	5.54	5.39	5.24	5.94	6.00	5.88	5.94	5.87	5.94	5.93	5.94	5.96
16 6-month	5.57	5.30	5.30	5.83	5.94	5.99	6.11	5.98	6.05	6.10	6.11	6.15
Certificates of deposit, secondary market ^{3,10}												
17 1-month	5.54	5.49	5.19	5.50	6.34	5.74	5.83	5.78	5.85	5.82	5.82	5.82
18 3-month	5.62	5.47	5.33	6.00	6.05	5.95	6.01	5.94	6.01	6.01	6.00	6.02
19 6-month	5.73	5.44	5.46	5.97	6.07	6.15	6.26	6.15	6.24	6.25	6.25	6.28
20 Eurodollar deposits, 3-month ^{3,11}	5.61	5.45	5.31	5.97	6.06	5.94	6.02	5.94	6.03	6.01	6.00	6.02
U.S. Treasury bills												
Secondary market ^{3,5}												
21 3-month	5.06	4.78	4.64	5.07	5.20	5.32	5.55	5.41	5.50	5.49	5.55	5.62
22 6-month	5.18	4.83	4.75	5.20	5.44	5.50	5.72	5.55	5.66	5.72	5.74	5.74
23 1-year	5.32	4.80	4.81	5.24	5.51	5.75	5.84	5.78	5.86	5.83	5.85	5.84
Auction high ^{3,5,12}												
24 3-month	5.07	4.81	4.66	5.07	5.23	5.34	5.57	5.39	5.56	5.55	5.51	5.64
25 6-month	5.18	4.85	4.76	5.17	5.43	5.52	5.75	5.52	5.71	5.77	5.76	5.77
26 1-year	5.36	4.85	4.78	5.17	5.35	5.65	5.91	n.a.	5.91	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities ¹³												
27 1-year	5.63	5.05	5.08	5.55	5.84	6.12	6.22	6.17	6.24	6.20	6.23	6.22
28 2-year	5.99	5.13	5.43	5.86	6.10	6.44	6.61	6.48	6.61	6.68	6.65	6.54
29 3-year	6.10	5.14	5.49	5.92	6.14	6.49	6.65	6.54	6.63	6.74	6.71	6.57
30 5-year	6.22	5.15	5.55	5.97	6.19	6.58	6.68	6.63	6.66	6.76	6.74	6.59
31 7-year	6.33	5.28	5.79	6.17	6.38	6.70	6.72	6.72	6.70	6.80	6.76	6.63
32 10-year	6.35	5.26	5.65	6.03	6.28	6.66	6.52	6.68	6.58	6.62	6.55	6.38
33 20-year	6.69	5.72	6.20	6.48	6.69	6.86	6.54	6.77	6.61	6.60	6.55	6.44
34 30-year	6.61	5.58	5.87	6.15	6.35	6.63	6.23	6.57	6.33	6.30	6.23	6.13
35 Composite More than 10 years (long-term)	6.67	5.69	6.14	6.42	6.63	6.81	6.49	6.73	6.56	6.56	6.50	6.39
STATE AND LOCAL NOTES AND BONDS												
Moody's series ¹⁴												
36 Aaa	5.32	4.93	5.28	5.77	5.82	5.91	5.88	5.92	5.89	5.93	5.85	5.83
37 Baa	5.50	5.14	5.70	6.23	6.25	6.38	6.35	6.39	6.37	6.39	6.34	6.31
38 Bond Buyer series ¹⁵	5.52	5.09	5.43	5.86	5.95	6.08	6.00	6.08	6.05	6.02	5.98	5.94
CORPORATE BONDS												
39 Seasoned issues, all industries ¹⁶	7.54	6.87	7.45	7.73	7.87	8.06	7.96	7.99	7.92	7.98	7.99	7.96
Rating group												
40 Aaa	7.27	6.53	7.05	7.36	7.55	7.78	7.68	7.73	7.65	7.69	7.70	7.68
41 Aa	7.48	6.80	7.36	7.62	7.78	7.96	7.82	7.86	7.78	7.84	7.84	7.82
42 A	7.54	6.93	7.53	7.79	7.96	8.15	8.02	8.08	8.02	8.08	8.09	8.04
43 Baa	7.87	7.22	7.88	8.15	8.19	8.33	8.29	8.29	8.22	8.30	8.32	8.29
MEMO												
Dividend-price ratio ¹⁷												
44 Common stocks	1.77	1.49	1.25	1.21	1.18	1.18 ^e	1.21	1.20	1.19	1.19	1.21	1.24

NOTE: Some of the data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.

2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.

3. Annualized using a 360-day year or bank interest.

4. Rate for the Federal Reserve Bank of New York.

5. Quoted on a discount basis.

6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See Board's Commercial Paper Web pages (<http://www.federalreserve.gov/releases/cp>) for more information.

7. An average of offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.

8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.

9. Representative closing yields for acceptances of the highest-rated money center banks.

10. An average of dealer offering rates on nationally traded certificates of deposit.

11. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.

12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.

13. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Department of the Treasury.

14. General obligation bonds based on Thursday figures; Moody's Investors Service.

15. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's A1 rating. Based on Thursday figures.

16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

17. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1997	1998	1999	1999								2000	
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Prices and trading volume (averages of daily figures)													
<i>Common stock prices (indexes)</i>													
1 New York Stock Exchange (Dec. 31, 1965 = 50)	456.99	550.65	619.52	629.53	648.83	621.03	607.87	599.04	634.22	638.17	634.07	606.03	
2 Industrial	574.97	684.35	775.29	783.96	809.33	778.82	769.47	753.94	791.41	808.28	814.73	767.08	
3 Transportation	415.08	468.61	491.62	520.66	528.72	492.13	462.33	450.13	474.78	461.04	456.35	398.69	
4 Utility	143.87	190.52	284.82	241.36	250.50	241.84	237.71	285.16	502.58	511.78	485.82	482.30	
5 Finance	424.84	516.65	530.97	546.43	557.92	521.59	493.37	490.92	539.20	510.99	495.23	471.65	
6 Standard & Poor's Corporation (1941-43 = 10) ¹	873.43	1,085.50	1,327.33	1,322.55	1,380.99	1,327.49	1,318.17	1,300.01	1,390.99	1,428.68	1,425.59	1,388.88	
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	628.34	682.69	770.90	772.01	803.75	781.33	788.74	786.96	819.60	838.24	878.73	910.00	
<i>Volume of trading (thousands of shares)</i>													
8 New York Stock Exchange	523,254	666,534	799,554	723,025	721,294	709,569	772,627	882,422	866,281	884,141	1,058,021	1,032,791	
9 American Stock Exchange	24,390	28,870	32,629	28,806	25,754	27,795	32,540	35,762	33,330	41,076	47,530	51,134	
Customer financing (millions of dollars, end-of-period balances)													
10 Margin credit at broker-dealers ³	126,090	140,980	228,530	176,930	178,360	176,390	179,316	182,272	206,280	228,530	243,490	265,210	
<i>Free credit balances at brokers⁴</i>													
11 Margin accounts ⁵	31,410	40,250	55,130	42,865	44,330	44,230	47,125	51,040	49,480	55,130	57,800	56,470	
12 Cash accounts	52,160	62,450	79,070	64,100	60,000	62,600	62,810	61,085	68,200	79,070	75,760	79,700	
Margin requirements (percent of market value and effective date) ⁶													
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974		
13 Margin stocks	70		80		65		55		65		50		
14 Convertible bonds	50		60		50		50		50		50		
15 Short sales	70		80		65		55		65		50		

1. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through the exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.

5. Series initiated in June 1984.

6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1997	1998	1999	1999				2000	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<i>U.S. budget¹</i>									
1 Receipts, total	1,579,292	1,721,798	1,827,454	200,413	121,035	121,375	201,196	189,478	108,675
2 On-budget	1,187,302	1,305,999	1,382,986	161,321	89,009	86,909	162,772	143,838	71,090
3 Off-budget	391,990	415,799	444,468	39,092	32,026	34,466	38,424	45,640	37,585
4 Outlays, total	1,601,235	1,652,552	1,702,940	142,369	147,691	148,407	168,114	127,326	150,409
5 On-budget	1,290,609	1,335,948	1,382,262	107,250	119,495	116,387	165,504	97,451	118,340
6 Off-budget	310,626	316,604	320,778	35,119	28,196	32,020	2,611	29,875	32,069
7 Surplus or deficit (-), total	-21,943	69,246	124,414	58,044	-26,656	-27,031	33,081	62,152	-41,734
8 On-budget	-103,307	-29,949	724	54,071	-30,486	-29,478	-2,732	46,387	-47,250
9 Off-budget	81,364	99,195	123,690	3,973	3,830	2,446	35,813	15,765	5,516
<i>Source of financing (total)</i>									
10 Borrowing from the public	38,171	-51,211	-88,304	-47,718	5,754	6,132	35,749	-83,985	17,131
11 Operating cash (decrease, or increase (-))	604	4,743	-17,580	-20,069	8,891	41,488	-77,248	20,592	40,773
12 Other ²	-16,832	-22,778	-18,530	9,743	12,011	-20,589	8,418	1,241	-16,170
<i>MEMO</i>									
13 Treasury operating balance (level, end of period)	43,621	38,878	56,458	56,458	47,567	6,079	83,327	62,735	21,962
14 Federal Reserve Banks	7,692	4,952	6,641	6,641	4,527	5,025	28,402	6,119	5,004
15 Tax and loan accounts	35,930	33,926	49,817	49,817	43,040	1,054	54,925	56,615	16,958

1. Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal disability insurance) and the U.S. Postal Service.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold;

net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCE: Monthly totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1998	1999	1998		1999		1999	2000	
			H1	H2	H1	H2	Dec.	Jan.	Feb.
RECEIPTS									
1 All sources	1,721,798	1,827,454	922,630	825,057	966,045	892,266 ^f	201,196	189,478	108,675
2 Individual income taxes, net	828,586	879,480	447,514	392,332	481,527	425,451	94,535	111,306	45,731
3 Withheld	646,483	693,940	316,309	339,144	351,068	372,012	88,311	65,922	65,868
4 Nonwithheld	281,527	308,185	219,136	65,204	240,278	68,302	7,373	46,556	3,730
5 Refunds	99,476	122,706	87,989	12,032	109,467	14,841	1,149	1,173	23,875
Corporation income taxes									
6 Gross receipts	213,008	216,324	109,353	104,163	106,861	110,111	46,486	7,135	4,903
7 Refunds	24,593	31,645	14,220	14,250	17,092	13,996	1,540	1,800	3,126
8 Social insurance taxes and contributions, net	571,831	611,833	312,713	268,466	324,831	292,551	48,421	60,484	50,514
9 Employment taxes and contributions ^a	540,014	580,880	293,520	256,142	306,235	280,059	47,742	58,819	47,859
10 Unemployment insurance	27,484	26,480	17,080	10,121	16,378	10,173	266	1,319	2,280
11 Other net receipts ^b	4,333	4,473	2,112	2,202	2,216	2,319	412	346	376
12 Excise taxes	57,673	70,414	29,922	33,366	31,015	34,262 ^f	5,709	5,316	5,076
13 Customs deposits	18,297	18,336	8,546	9,838	8,440	10,287	1,612	1,457	1,212
14 Estate and gift taxes	24,076	27,782	12,971	12,359	14,915	14,001	2,575	2,116	1,768
15 Miscellaneous receipts ^c	32,658	34,929	15,829	18,735	15,140	19,569 ^f	3,398	3,464	2,597
OUTLAYS									
16 All types	1,652,552	1,702,940 ^f	815,884	877,414	817,227 ^f	882,794 ^f	168,114	127,326	150,409
17 National defense	268,456	274,873	129,351	140,196	134,414	149,820	31,261	17,581	22,136
18 International affairs	13,109	15,243	4,610	8,297	6,879	8,530	3,527	1,404	1,366
19 General science, space, and technology	18,219	18,125	9,426	10,142	9,319	10,089	1,853	1,229	1,569
20 Energy	1,270	912	957	699	797	-90	32	94	-238
21 Natural resources and environment	22,396	23,970 ^f	10,051	12,671	10,351	12,100 ^f	2,350	1,490	1,779
22 Agriculture	12,206	23,011	2,387	16,757	9,803	20,887	4,362	4,213	1,896
23 Commerce and housing credit	1,014	2,649 ^f	-2,483	4,046	-1,629	7,353 ^f	-696	-1,336	-1,685
24 Transportation	40,332	42,531	16,196	20,836	17,082	22,971	3,858	3,112	2,909
25 Community and regional development	9,720	11,870	4,863	6,972	5,368	7,135	1,300	270	-23
26 Education, training, employment, and social services	54,919	56,402	25,928	27,762	29,003	27,532	5,593	4,788	5,385
27 Health	131,440	141,079	65,053	67,838	69,320	74,490	13,462	11,575	11,567
28 Social security and Medicare	572,047	580,488	286,305	316,809	261,146	295,030	52,720	45,336	49,858
29 Income security	233,202	237,707	125,196	109,481	126,552	113,504	23,747	16,565	32,110
30 Veterans benefits and services	41,781	43,212	19,615	22,750	20,105	23,412	5,320	1,991	3,741
31 Administration of justice	22,832	25,924	11,287	12,041	13,149	13,459	2,163	2,224	2,147
32 General government	13,444	15,771 ^f	6,139	9,136	6,641 ^f	7,006 ^f	1,974	490	38
33 Net interest ^d	243,359	229,735	122,345	116,954	116,655	112,420	18,328	19,428	18,884
34 Undistributed offsetting receipts ^e	-47,194	40,445	-21,340	-25,793	-17,724	-22,850	-3,040	-3,129	-3,030

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.

2. Old-age, disability, and hospital insurance, and railroad retirement accounts.

3. Federal employee retirement contributions and civil service retirement and disability fund.

4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

5. Includes interest received by trust funds.

6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2001*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1997	1998				1999			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 Federal debt outstanding	5,536	5,573	5,578	5,556	5,643	5,681	5,668	5,685	29
2 Public debt securities	5,502	5,542	5,548	5,526	5,614	5,652	5,639	5,656	5,776
3 Held by public	3,847	3,872	3,790	3,761	3,787	3,795	3,685	3,667	3,716 ^f
4 Held by agencies	1,656	1,670	1,758	1,766	1,827	1,857	1,954	1,989	2,061 ^f
5 Agency securities	34	31	30	29	29	29	29	29	29
6 Held by public	27	26	26	26	29	28	28	28	28 ^f
7 Held by agencies	7	5	4	4	1	1	1	1	1 ^f
8 Debt subject to statutory limit	5,417	5,457	5,460	5,440	5,530	5,566	5,552	5,568	5,687
9 Public debt securities	5,416	5,456	5,460	5,439	5,530	5,566	5,552	5,568	5,687
10 Other debt ¹	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950

1. Consists of guaranteed debt of U.S. Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

SOURCE: U.S. Department of the Treasury, *Monthly Statement of the Public Debt of the United States and Treasury Bulletin*.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1996	1997	1998	1999	1999			
					Q1	Q2	Q3	Q4
1 Total gross public debt	5,323.2	5,502.4	5,614.2	5,776.1	5,651.6	5,638.8	5,656.3	5,776.1
By type								
2 Interest-bearing	5,317.2	5,494.9	5,605.4	5,766.1	5,643.1	5,629.5	5,647.2	5,766.1
3 Marketable	3,459.7	3,456.8	3,355.5	3,281.0	3,361.3	3,248.5	3,233.0	3,281.0
4 Bills	777.4	715.4	691.0	737.1	725.5	647.8	653.2	737.1
5 Notes	2,112.3	2,106.1	1,960.7	1,784.5	1,912.0	1,868.5	1,828.8	1,784.5
6 Bonds	555.0	587.3	621.2	643.7	632.5	632.5	643.7	643.7
7 Inflation-indexed notes and bonds ¹	n.a.	33.0	50.6	68.2	59.2	59.9	67.6	68.2
8 Nonmarketable ²	1,857.5	2,038.1	2,249.9	2,485.1	2,281.8	2,381.0	2,414.2	2,485.1
9 State and local government series	101.3	124.1	165.3	165.7	167.5	172.6	168.1	165.7
10 Foreign issues ³	37.4	36.2	34.3	31.3	33.5	30.9	31.0	31.3
11 Government	47.4	36.2	34.3	31.3	33.5	30.9	31.0	31.3
12 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	182.4	181.2	180.3	179.4	180.6	180.0	180.0	179.4
14 Government account series ⁴	1,505.9	1,666.7	1,840.0	2,078.7	1,870.2	1,967.5	2,005.2	2,078.7
15 Non-interest-bearing	6.0	7.5	8.8	10.0	8.5	9.3	9.0	10.0
By holder ⁵								
16 U.S. Treasury and other federal agencies and trust funds	1,497.2	1,655.7	1,826.8	2,060.6	1,857.1	1,953.6	1,989.1	2,060.6
17 Federal Reserve Banks	410.9	451.9	471.7	477.7	464.5	493.8	496.5	477.7
18 Private investors	3,431.2	3,414.6	3,334.0	3,234.2	3,327.6	3,199.3	3,175.6	3,234.2
19 Depository institutions	296.6	300.3	237.3	n.a.	246.5 ^f	240.6 ^f	240.6	n.a.
20 Mutual funds	315.8	321.5	343.2	n.a.	351.8 ^f	335.4 ^f	332.6	n.a.
21 Insurance companies	214.1	176.6	144.5 ^f	n.a.	143.8	142.5 ^f	138.2	n.a.
22 State and local treasuries ⁶	257.0	239.3	269.3	n.a.	272.5	279.1	271.6	n.a.
Individuals								
23 Savings bonds	187.0	186.5	186.7	186.5	186.6	186.6	186.6 ^f	186.5
24 Pension funds	392.7	421.0	434.7	n.a.	438.3 ^f	449.1 ^f	444.9	n.a.
25 Private	189.2	204.1	218.1	n.a.	220.0	226.6	228.3	n.a.
26 State and Local	203.5	216.9	216.6	n.a.	218.3 ^f	222.5 ^f	216.6	n.a.
27 Foreign and international ⁷	1,102.1	1,241.6	1,278.7	1,268.7	1,272.1	1,258.6	1,281.3	1,268.7
28 Other miscellaneous investors ⁸	665.9	527.9	439.6	n.a.	416.6	307.4 ^f	279.8	n.a.

1. The U.S. Treasury first issued inflation-indexed securities during the first quarter of 1997.

2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.

4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.

5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

6. In March 1996, in a redefinition of series, fully defeased debt backed by nonmarketable federal securities was removed from "Other miscellaneous investors" and added to "State and local treasuries." The data shown here have been revised accordingly.

7. Includes nonmarketable foreign series treasury securities and treasury deposit funds. Excludes treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

8. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

SOURCE: U.S. Treasury Department, data by type of security, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	1999		2000	1999-2000, week ending					2000, week ending			
	Nov.	Dec.	Jan.	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
OUTRIGHT TRANSACTIONS²												
<i>By type of security</i>												
1 U.S. Treasury bills	33,106 ^f	32,152 ^f	27,270	34,003	30,830	28,132	26,516	23,388	29,997	25,658	28,301	36,030
<i>Coupon securities, by maturity</i>												
2 Five years or less	100,720 ^f	72,670 ^f	104,587	37,615	77,282	99,003	93,941	120,711	132,069	123,653	107,635	111,093
3 More than five years	64,919 ^f	42,039	68,628	16,996	41,462	64,020	65,701	76,617	95,038	117,810	82,512	65,400
4 Inflation-indexed	750	481	1,548	318	743	2,950	1,309	827	1,618	1,379	601	687
<i>Federal agency</i>												
5 Discount notes	48,014 ^f	44,153 ^f	47,295	43,577	39,820	43,264	48,908	48,762	56,356	57,374	52,220	47,914
<i>Coupon securities, by maturity</i>												
6 One year or less	794 ^f	792	1,496	589	683	1,905	1,779	1,716	790	876	1,245	1,236
7 More than one year, but less than or equal to five years	5,867 ^f	4,356	8,147	2,071	4,500	10,158	7,655	9,228	7,461	7,940	11,369	7,153
8 More than five years	4,039 ^f	2,886	7,269	894	1,810	14,777	4,311	5,897	7,432	9,004	9,240	5,113
9 Mortgage-backed	55,736	43,291	66,234	10,951	41,333	96,924	74,707	46,093	59,435	103,218	66,634	50,841
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
10 U.S. Treasury	104,228 ^f	77,166 ^f	102,847	45,922	78,684	97,212	98,129	111,093	130,522	136,646	112,587	106,793
11 Federal agency	4,651 ^f	3,741 ^f	6,092	2,597	3,372	6,498	5,476	6,697	8,152	8,417	7,220	6,855
12 Mortgage-backed	20,443	16,453	25,422	3,223	15,946	32,779	28,794	20,734	24,832	36,862	28,271	22,804
<i>With other</i>												
13 U.S. Treasury	95,267 ^f	70,174 ^f	99,186	43,008	71,633	96,893	89,337	110,452	128,200	131,854	106,461	106,417
14 Federal agency	54,063 ^f	48,447 ^f	58,115	44,533	43,442	63,604	57,177	58,906	63,887	66,776	66,854	54,560
15 Mortgage-backed	35,294	26,838	40,812	7,728	25,386	64,145	45,914	25,359	34,602	66,356	38,363	28,037
FUTURES TRANSACTIONS³												
<i>By type of deliverable security</i>												
16 U.S. Treasury bills	n.a.	n.a.	0	n.a.	n.a.	n.a.	0	n.a.	0	n.a.	0	0
<i>Coupon securities, by maturity</i>												
17 Five years or less	3,292 ^f	3,356 ^f	3,687	668	2,782	3,550	2,921	3,222	6,875	6,521	5,817	5,662
18 More than five years	16,038 ^f	12,095 ^f	18,119	4,105	11,224	16,249	19,068	19,182	24,776	26,651	16,193	20,458
19 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>												
20 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
21 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
22 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0	0
23 More than five years	0	0	0	0	0	0	0	0	0	0	0	0
24 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0	0
OPTIONS TRANSACTIONS⁴												
<i>By type of underlying security</i>												
25 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
26 Five years or less	1,816 ^f	1,045 ^f	1,457	456	1,105	1,676	1,623	1,439	1,200	1,480	1,145	1,847
27 More than five years	4,759 ^f	3,831 ^f	5,536	0	5,118	7,460	3,941	4,987	6,323	6,800	4,147	7,022
28 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
<i>Federal agency</i>												
29 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>												
30 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
31 More than one year, but less than or equal to five years	0	0	0	0	n.a.	0	0	0	0	0	0	0
32 More than five years	0	0	0	0	n.a.	0	0	0	0	0	0	0
33 Mortgage-backed	671	577 ^f	647	0	432	370	1,203	590	494	931	404	948

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Monthly averages are based on the number of trading days in the month. Transactions are assumed to be evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Outright transactions include immediate and forward transactions. Immediate delivery refers to purchases or sales of securities (other than mortgage-backed federal agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

3. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

4. Options transactions are purchases or sales of put and call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1999		2000	1999-2000, week ending					2000, week ending		
	Nov.	Dec.	Jan.	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16
Positions²											
NET OUTRIGHT POSITIONS³											
<i>By type of security</i>											
1 U.S. Treasury bills	9,570 ^r	21,385 ^r	14,304	16,191	25,113	22,050	11,137	8,118	5,747	3,667	-2,846
Coupon securities, by maturity											
2 Five years or less	-28,928 ^r	-24,622 ^r	-38,777	-21,275	-34,261	-42,507	-43,659	-31,790	-41,018	-39,008	-40,533
3 More than five years	-23,251 ^r	-29,849 ^r	-32,995	-31,002	-32,798	-32,520	-33,589	-36,048	-28,754	-21,045	-23,939
4 Inflation-indexed	3,164	2,438	2,894	2,041	2,150	2,739	3,303	2,626	3,659	3,131	3,049
Federal agency											
5 Discount notes	43,941	45,011	39,668	44,790	47,888	37,799	38,342	41,467	33,400	41,209	35,515
Coupon securities, by maturity											
6 One year or less	6,272 ^r	5,436	7,101	5,043	5,179	6,271	6,797	8,558	8,571	8,474	10,855
7 More than one year, but less than or equal to five years	4,525 ^r	1,910	7,172	114	1,824	6,276	8,669	10,333	7,252	2,519	7,556
8 More than five years	3,356 ^r	2,706 ^r	6,114	2,187	3,606	7,382	7,414	5,808	5,453	3,162	4,627
9 Mortgage-backed	23,743	25,603	21,183	26,331	23,834	24,008	27,317	15,517	13,922	18,182	20,133
NET FUTURES POSITIONS⁴											
<i>By type of deliverable security</i>											
10 U.S. Treasury bills	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Coupon securities, by maturity											
11 Five years or less	4,327 ^r	7,121 ^r	11,986	6,865	10,084	13,989	12,347	10,623	12,487	17,902	13,660
12 More than five years	324	408	8,056	1,455	4,336	7,687	10,229	10,737	5,497	1,658	-615
13 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
Federal agency											
14 Discount notes	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
15 One year or less	0	0	0	0	0	0	0	0	0	0	0
16 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0
17 More than five years	0	0	0	0	0	0	0	0	0	0	0
18 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0
NET OPTIONS POSITIONS											
<i>By type of deliverable security</i>											
19 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
20 Five years or less	-475 ^r	-1,855 ^r	-3,840	-2,483	-3,413	-4,289	-4,939	-3,192	-3,009	-3,616	-3,870
21 More than five years	-359 ^r	241 ^r	-1,465	593	-2,202	-3,562	-3,911	1,129	2,003	2,310	2,222
22 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
Federal agency											
23 Discount notes	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
24 One year or less	0	0	0	0	0	0	0	0	0	0	0
25 More than one year, but less than or equal to five years	175	n.a.	0	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
26 More than five years	29	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27 Mortgage-backed	-272	1,260	2,215	1,360	2,043	1,804	2,498	2,188	2,602	3,271	2,616
Financing⁵											
<i>Reverse repurchase agreements</i>											
28 Overnight and continuing	288,146	260,169	281,382	237,547	264,786	273,333	286,065	284,404	298,458	281,516	313,199
29 Term	799,629	847,806	729,307	881,410	670,899	735,505	718,016	754,718	759,268	823,767	652,298
<i>Securities borrowed</i>											
30 Overnight and continuing	239,510	224,527	240,177	220,331	217,192	225,106	245,091	248,722	265,418	262,639	258,495
31 Term	97,728	117,116	112,088	130,567	130,230	122,843	105,809	103,952	99,073	102,979	101,040
<i>Securities received as pledge</i>											
32 Overnight and continuing	1,965	1,647	1,677	n.a.	n.a.	n.a.	n.a.	1,709	1,632	n.a.	n.a.
33 Term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Repurchase agreements</i>											
34 Overnight and continuing	673,755	647,385	690,465	587,167	639,876	670,637	708,930	707,884	718,575	727,628	742,894
35 Term	715,763	761,776	619,703	823,824	581,011	626,160	601,385	644,252	640,630	682,425	517,879
<i>Securities loaned</i>											
36 Overnight and continuing	9,049	8,843	9,344	9,012	7,970	8,711	9,012	10,005	11,143	11,513	9,980
37 Term	6,744	7,283	7,149	8,040	8,026	7,855	6,544	6,633	6,856	6,642	5,732
<i>Securities pledged</i>											
38 Overnight and continuing	50,099	49,236	47,887	46,612	46,789	44,444	50,609	48,243	49,496	50,432	48,757
39 Term	6,745	10,713	10,985	13,866	14,118	13,837	8,608	9,529	9,223	7,750	8,255
<i>Collateralized loans</i>											
40 Total	23,590	14,892	20,093	23,821	26,109	22,766	17,113	19,539	15,282	16,272	17,367

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data. Positions for calendar days of the report week are assumed to be constant. Monthly averages are based on the number of calendar days in the month.

2. Securities positions are reported at market value.

3. Net outright positions include immediate and forward positions. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions for mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt

securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day. Financing data are reported in terms of actual funds paid or received, including accrued interest.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1996	1997	1998	1999	1999				
					Aug.	Sept.	Oct.	Nov.	Dec.
1 Federal and federally sponsored agencies	925,823	1,022,609	1,296,477	1,616,492	1,491,900	1,525,916	n.a.	n.a.	1,616,492
2 Federal agencies	29,380	27,792	26,502	26,376	26,107	26,384	28,218	28,218	26,376
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ³	1,447	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	84	102	205	126	109	114	126	126	126
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	27,853	27,786	26,496	26,370	26,101	26,378	28,212	28,212	26,370
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	896,443	994,817	1,269,975	1,590,116	1,465,793	1,499,532	n.a.	n.a.	1,590,116
11 Federal Home Loan Banks	263,404	313,919	382,131	529,005	458,320	481,639	489,401	502,842	529,005
12 Federal Home Loan Mortgage Corporation	156,980	169,200	287,396	360,711	340,972	341,144	352,487	357,317	360,711
13 Federal National Mortgage Association	331,270	369,774	460,291	547,619	517,200	524,880	527,403	540,364	547,619
14 Farm Credit Banks ⁸	60,053	63,517	63,488	68,883	67,269	67,938	68,338	67,654	68,883
15 Student Loan Marketing Association ⁹	44,763	37,717	35,399	41,988	40,310	41,921	44,224	44,402	41,988
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	58,172	49,090	44,129	42,152	39,341	43,116	42,843^r	42,843	42,152
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	1,431	552	↑	↑	↑	↑	↑	↑	↑
21 Postal Service ⁶	n.a.	n.a.	↑	↑	↑	↑	↑	↑	↑
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	↓	↓	↓	↓	↓	↓	↓
24 United States Railway Association ⁶	n.a.	n.a.	↓	↓	↓	↓	↓	↓	↓
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	18,325	13,530	9,500	6,665	7,270	7,125	6,775 ^r	6,775	6,665
26 Rural Electrification Administration	16,702	14,898	14,091	14,085	13,969	13,885	14,025 ^r	14,025	14,085
27 Other	21,714	20,110	20,538	21,402	18,102	22,106	22,043 ^r	22,043	21,402

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. On-budget since Sept. 30, 1976.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration, the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, the Small Business Administration, and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agricultural Mortgage Corporation, therefore details do not sum to total. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.

9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.

14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1997	1998	1999	1999						2000	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issues, new and refunding¹	214,694	262,342	215,427	18,671	15,746	18,433	17,497	17,428	14,751	8,969	10,905
By type of issue											
2 General obligation	69,934	87,015	73,308	6,206	4,268	5,171	4,183	4,996	3,715	3,454	4,473
3 Revenue	134,989	175,327	142,120	12,465	11,478	13,262	13,314	12,433	11,035	5,516	6,433
By type of issuer											
4 State	18,237	23,506	16,376	2,194	911	2,341	1,753	929	834	863	1,730
5 Special district or statutory authority ²	134,919	178,421	152,418	13,572	11,578	13,449	12,186	12,613	10,640	5,784	7,414
6 Municipality, county, or township	70,558	60,173	46,634	2,906	3,257	2,642	3,557	3,886	3,277	2,322	1,761
7 Issues for new capital	135,519	160,568	161,065	12,172	12,530	14,973	14,908	14,084	11,475	8,009	9,382
By use of proceeds											
8 Education	31,860	36,904	36,563	3,415	2,842	2,885	2,049	2,732	3,095	2,189	2,548
9 Transportation	13,951	19,926	17,394	1,264	1,955	1,886	1,674	892	1,201	1,064	723
10 Utilities and conservation	12,219	21,037	15,098	535	1,038	1,976	1,176	1,893	1,008	588	115
11 Social welfare	27,794	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	6,667	8,594	9,099	850	585	1,271	726	668	707	89	647
13 Other purposes	35,095	42,450	47,896	2,729	3,255	3,941	4,509	5,213	3,141	2,885	2,804

1. Par amounts of long-term issues based on date of sale.

2. Includes school districts.

SOURCE: Securities Data Company beginning January 1990; Investment Dealer's Digest before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1997	1998	1999 ¹	1999							2000
				June	July	Aug.	Sept.	Oct.	Nov.	Dec. ²	Jan.
1 All issues¹	929,256	1,128,491	1,072,877	96,608	96,608	83,466	82,414	58,613	85,016³	50,815	55,550
2 Bonds²	811,376	1,001,736	941,309	88,338	83,546	75,708	75,807	47,103	61,033	42,487	44,220
By type of offering											
3 Sold in the United States	708,188	923,771	818,694	79,031	69,451	63,383	65,679	37,721	53,908	36,499	30,784
4 Sold abroad	103,188	77,965	122,615	9,306	14,095	12,325	10,128	9,382	7,125	5,989	13,436
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	6,441	2,133	1,670	1,640	1,632	1,237	3,241	967
By industry group											
6 Nonfinancial	222,603	307,935	293,974	24,531	25,526	22,704	20,655	13,990	24,283	14,625	14,599
7 Financial	588,773	693,801	647,335	63,807	58,020	53,005	55,151	33,112	36,750	27,863	29,620
8 Stocks³	117,880	126,755	131,568	8,270	13,062	7,758	6,607	11,510	23,983³	8,328	11,330
By type of offering											
9 Public	117,880	126,755	131,568	8,270	13,062	7,758	6,607	11,510	23,983 ³	8,328	11,330
10 Private placement ⁴	55,450	78,850	86,300	7,192	7,192	7,192	7,192	7,192	7,192	7,192	n.a.
By industry group											
11 Nonfinancial	60,386	74,113	110,284	6,436	11,589	6,379	5,647	10,961	22,611 ¹	7,450	9,083
12 Financial	57,494	52,642	21,284	1,834	1,473	1,379	960	549	1,372	878	2,247

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data are not available.

SOURCE: Securities Data Company and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	1998	1999	1999						2000	
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb.
1 Sales of own shares ²	1,461,430	1,791,894	140,926	132,991	132,226	140,738	155,490	185,898	226,251	237,595
2 Redemptions of own shares	1,217,022	1,621,987	128,173	125,908	126,207	124,052	143,688	178,855	204,380	197,214
3 Net sales ³	244,408	169,906	12,754	7,084	6,019	16,686	11,801	7,042	21,871	40,381
4 Assets ⁴	4,173,531	5,233,191	4,585,131	4,548,784	4,498,964	4,705,746	4,874,733	5,233,191	5,114,482	5,378,593
5 Cash ⁵	191,393	219,189	209,061	209,349	209,709	225,762	214,751	219,189	222,729	233,181
6 Other	3,982,138	5,014,002	4,376,070	4,339,435	4,289,255	4,479,985	4,659,982	5,014,002	4,891,753	5,145,412

1. Data include stock, hybrid, and bond mutual funds and exclude money market mutual funds.

2. Excludes reinvestment of net income dividends and capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

4. Market value at end of period, less current liabilities.

5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1997	1998	1999	1998				1999			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits with inventory valuation and capital consumption adjustment	837.9	846.1	n.a.	858.3	847.9	843.8	834.3	882.0	875.5	879.2	n.a.
2 Profits before taxes	795.9	781.9	n.a.	788.9	792.0	780.1	766.7	818.1	835.8	853.8	n.a.
3 Profits-tax liability	238.3	240.2	n.a.	239.9	241.1	244.3	235.6	248.0	254.4	259.4	n.a.
4 Profits after taxes	557.6	541.7	n.a.	548.9	550.9	535.8	531.0	570.1	581.4	594.3	n.a.
5 Dividends	333.7	348.6	364.7	346.5	347.3	348.4	352.2	356.4	361.5	367.3	373.5
6 Undistributed profits	223.9	193.1	n.a.	202.5	203.6	187.4	178.8	213.7	219.9	227.0	n.a.
7 Inventory valuation	7.4	20.9	n.a.	29.5	13.6	19.8	20.8	13.3	-13.6	-26.7	n.a.
8 Capital consumption adjustment	34.6	43.3	52.0	39.9	42.4	43.9	46.9	50.6	53.2	52.1	52.0 ^f

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1997	1998	1999	1998			1999			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
1 Accounts receivable, gross ²	663.3	711.7	812.5	676.0	687.6	711.7	733.8	756.5	776.3	812.5
2 Consumer	256.8	261.8	279.8	251.3	254.0	261.8	261.7	269.2	271.0	279.8
3 Business	318.5	347.5	406.2	334.9	335.1	347.5	362.8	373.7	383.0	406.2
4 Real estate	87.9	102.3	126.5	89.9	98.5	102.3	109.2	113.5	122.3	126.5
5 LESS: Reserves for unearned income	52.7	56.3	54.1	53.2	52.4	56.3	52.9	53.4	54.0	54.1
6 Reserves for losses	13.0	13.8	13.6	13.2	13.2	13.8	13.4	13.4	13.6	13.6
7 Accounts receivable, net	597.6	641.6	744.8	609.6	622.0	641.6	667.6	689.7	708.6	744.8
8 All other	312.4	337.9	388.1	340.1	313.7	337.9	363.3	373.2	368.5	388.1
9 Total assets	910.0	979.5	1,132.9	949.7	935.7	979.5	1,030.8	1,062.9	1,077.2	1,132.9
LIABILITIES AND CAPITAL										
10 Bank loans	24.1	26.3	35.1	22.3	24.9	26.3	24.8	25.1	27.0	35.1
11 Commercial paper	201.5	231.5	223.9	225.9	226.9	231.5	222.9	231.0	205.3	223.9
Debt										
12 Owed to parent	64.7	61.8	105.8	60.0	58.3	61.8	64.6	65.4	84.5	105.8
13 Not elsewhere classified	328.8	339.7	394.8	348.7	337.6	339.7	366.7	383.1	396.2	394.8
14 All other liabilities	189.6	203.2	228.9	188.9	185.4	203.2	220.3	226.1	216.0	228.9
15 Capital, surplus, and undivided profits	101.3	117.0	144.5	103.9	103.6	117.0	131.5	132.2	148.2	144.5
16 Total liabilities and capital	910.0	979.5	1,132.9	949.7	936.6	979.5	1,030.8	1,062.9	1,077.2	1,132.9

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.

2. Before deduction for unearned income and losses.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit		1997	1998	1999 ^f	1999					2000
					Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
Seasonally adjusted										
1 Total		810.5	875.8	993.9	967.4	972.8	980.6 ^f	984.8 ^f	993.9 ^f	1,019.1
2 Consumer		327.9	352.8	385.3	380.8	381.9	384.0	385.2	385.3 ^f	391.4
3 Real estate		121.1	131.4	154.7	146.7	148.9	149.3	152.7	154.7	158.9
4 Business		361.5	391.6	453.9	439.9	442.0	447.2 ^f	446.9 ^f	453.9	468.9
Not seasonally adjusted										
5 Total		818.1	884.0	1,003.2	962.2	968.4	978.8 ^f	986.3 ^f	1,003.2 ^f	1,019.1
6 Consumer		330.9	356.1	388.8	382.0	383.1	384.5	386.5	388.8 ^f	390.8
7 Motor vehicles loans		87.0	103.1	114.7	112.7	109.5	110.2	111.6	114.7 ^f	117.5
8 Motor vehicle leases		96.8	93.3	98.3	98.3	98.1	98.4	99.1	98.3	99.3
9 Revolving ^a		38.6	32.3	33.8	33.0	30.7	31.5	30.5	33.8 ^f	33.9
10 Other ^a		34.4	33.1	33.1	31.6	32.8	32.4	33.2	33.1 ^f	33.1
Securitized assets ^b										
11 Motor vehicle loans		44.3	54.8	71.1	68.0	73.5	74.1	74.6	71.1	69.6
12 Motor vehicle leases		10.8	12.7	9.7	10.8	10.6	10.3	10.0	9.7	9.5
13 Revolving		.0	8.7	10.5	9.4	10.2	10.1	10.2	10.5	10.4
14 Other		19.0	18.1	17.7	18.1	17.8	17.6	17.4	17.7	17.4
Real estate		121.1	131.4	154.7	146.7	148.9	149.3	152.7	154.7	158.9
15 One- to four-family		59.0	75.7	88.3	86.0	87.7	87.7	89.4	88.3	90.8
16 Other		28.9	26.6	38.3	33.7	34.6	35.1	37.1	38.3	38.6
Securitized real estate assets ^b										
17 One- to four-family		33.0	29.0	28.0	26.8	26.5	26.2	25.9	28.0	29.3
18 Other		.2	.1	.2	.2	.2	.2	.2	.2	.2
Business		366.1	396.5	459.6	433.5	436.3	445.0 ^f	447.1 ^f	459.6	469.5
20 Motor vehicles		63.5	79.6	87.8	78.6	80.3	84.3	85.4	87.8	88.1
21 Retail loans		25.6	28.1	33.2	33.3	34.5	34.9	33.7	33.2	33.5
22 Wholesale loans ^c		27.7	32.8	34.7	26.8	26.8	30.3	32.6	34.7	34.6
23 Leases		10.2	18.7	19.9	18.5	19.0	19.1	19.2	19.9	19.9
Equipment		203.9	198.0	221.9	210.5	208.0	212.8 ^f	211.2 ^f	221.9	222.4
24 Loans		51.5	50.4	52.2	53.1	48.2	51.5 ^f	49.1	52.2	51.8
26 Leases		152.3	147.6	169.7	157.4	159.8	161.3	162.1 ^f	169.7	170.5
27 Other business receivables ^d		51.1	69.9	95.5	92.7	94.7	97.1	98.2	95.5	97.6
Securitized assets ^a										
29 Motor vehicles		33.0	29.2	31.5	30.4	31.0	28.8	30.6	31.5	31.5
30 Retail loans		2.4	2.6	2.9	2.7	2.6	2.5	3.0	2.9	2.9
31 Wholesale loans		30.5	24.7	26.4	25.7	26.4	24.3	25.6	26.4	26.5
32 Leases		.0	1.9	2.1	2.0	2.0	2.0	2.0	2.1	2.1
33 Equipment		10.7	13.0	14.6	13.5	14.6	14.3	14.0	14.6	21.8
34 Loans		4.2	6.6	7.9	6.9	7.7	7.6	7.4	7.9	15.1
35 Leases		6.5	6.4	6.7	6.6	6.9	6.8	6.6	6.7	6.7
36 Other business receivables ^d		4.0	6.8	8.4	7.8	7.7	7.7	7.7	8.4	8.1

NOTE: This table has been revised to incorporate several changes resulting from the benchmarking of finance company receivables to the June 1996 Survey of Finance Companies. In that benchmark survey, and in the monthly surveys that have followed, more detailed breakdowns have been obtained for some components. In addition, previously unavailable data on securitized real estate loans are now included in this table. The new information has resulted in some reclassification of receivables among the three major categories (consumer, real estate, and business) and in discontinuities in some component series between May and June 1996.

Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

1. Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown

before deductions for unearned income and losses. Components may not sum to totals because of rounding.

2. Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods such as appliances, apparel, boats, and recreation vehicles.

4. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

5. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

6. Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1997	1998	1999	1999					2000	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Terms ¹										
1 Purchase price (thousands of dollars)	180.1	195.2	210.7	213.8	210.3	214.4	220.8	216.3	223.7	216.9
2 Amount of loan (thousands of dollars)	140.3	151.1	161.7	163.1	161.8	165.1	167.0	167.2	169.9	165.6
3 Loan-to-price ratio (percent)	80.4	80.0	78.7	78.3	78.8	79.0	77.4	78.6	77.9	78.4
4 Maturity (years)	28.2	28.4	28.8	28.5	29.1	29.1	29.0	29.0	29.1	29.1
5 Fees and charges (percent of loan amount) ²	1.02	.89	.77	.68	.64	.71	.73	.71	.75	.71
Yield (percent per year)										
6 Contract rate ³	7.57	6.95	6.94	6.99	6.99	7.06	7.13	7.18	7.34	7.43
7 Effective rate ^{1,3}	7.73	7.08	7.06	7.09	7.09	7.17	7.24	7.28	7.45	7.54
8 Contract rate (HUD series) ⁴	7.76	7.00	7.45	7.87	7.76	7.77	7.79	7.95	8.21	8.20
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203) ⁵	7.89	7.04	7.74	8.10	8.05	8.02	8.06	8.55	8.56	8.53
10 GNMA securities ⁶	7.26	6.43	7.03	7.53	7.42	7.52	7.37	7.58	7.84	7.96
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	316,678	414,515	523,941	495,302	504,938	509,990	518,337	523,941	527,977	535,096
12 FHA/VA insured	31,925	33,770	55,318	47,846	49,456	50,639	52,632	55,318	57,369	58,294
13 Conventional	284,753	380,745	468,623	447,456	455,482	459,351	465,705	468,623	470,608	476,802
14 Mortgage transactions purchased (during period)	70,465	188,448	195,210	21,094	15,200	10,057	14,683	11,416	9,035	11,484
Mortgage commitments (during period)										
15 Issued ⁷	69,965	193,795	187,948	18,153	7,998	10,480	12,050	9,931	9,130	9,811
16 To sell ⁸	1,298	1,880	5,900	478	609	1,710	381	1,592	1,287	612
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸										
17 Total	164,421	255,010	324,443	306,214	315,968	318,682	323,027	324,443	325,914	328,598
18 FHA/VA insured	177	785	1,848	1,708	1,689	1,744	1,848	1,848	1,806	1,719
19 Conventional	164,244	254,225	322,595	304,506	314,279	316,938	321,179	322,595	324,108	326,879
Mortgage transactions (during period)										
20 Purchases	117,401	267,402	239,793	18,674	15,238	13,323	11,869	9,335	12,942 ^f	6,747
21 Sales	114,258	250,565	233,031	17,468	14,153	12,671	11,129	8,589	12,764 ^f	6,424
22 Mortgage commitments contracted (during period) ⁹	120,089	281,899	228,432	18,951	14,608	10,810	10,501	11,587	8,341	7,156

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

7. Does not include standby commitments issued, but includes standby commitments converted.

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1996	1997	1998	1998	1999			
				Q4	Q1	Q2	Q3 ^f	Q4 ^p
1 All holders	4,880,736^f	5,184,691^f	5,683,280^f	5,683,280^f	5,819,743^f	5,968,122^f	6,173,523	6,318,783
<i>By type of property</i>								
2 One- to four-family residences	3,721,917	3,959,565	4,328,434	4,328,434	4,420,898 ^f	4,533,031 ^f	4,663,148	4,759,962
3 Multifamily residences	288,929 ^f	301,516 ^f	328,714 ^f	328,714 ^f	339,266 ^f	346,240 ^f	357,423	370,381
4 Nonfarm, nonresidential	782,755 ^f	833,311 ^f	929,626 ^f	929,626 ^f	962,175 ^f	989,206 ^f	1,051,551	1,085,896
5 Farm	87,134	90,299	96,506	96,506	97,404	99,644 ^f	101,403	102,544
<i>By type of holder</i>								
6 Major financial institutions	1,981,885	2,083,978	2,194,813 ^f	2,194,813 ^f	2,202,306 ^f	2,242,525 ^f	2,321,448	2,393,404
7 Commercial banks ²	1,145,389	1,245,315	1,337,217	1,337,217	1,336,733 ^f	1,361,365 ^f	1,418,819	1,495,717
8 One- to four-family	677,603	745,510	797,195 ^f	797,195 ^f	782,135 ^f	790,043 ^f	826,936	879,299
9 Multifamily	45,451	49,670	52,871	52,871	56,731 ^f	59,151 ^f	62,477	66,010
10 Nonfarm, nonresidential	397,452	423,148	458,115	458,115	468,355 ^f	481,635 ^f	498,087	518,569
11 Farm	24,883	26,986	29,035	29,035	29,513 ^f	30,536 ^f	31,320	31,839
12 Savings institutions ³	628,335	631,822	643,957	643,957	646,510	656,518	676,346	668,634
13 One- to four-family	513,712	520,672	533,792	533,792	534,772	544,832	560,483	548,926
14 Multifamily	61,570	59,543	56,825	56,825	56,763	55,020	57,286	59,143
15 Nonfarm, nonresidential	52,723	51,252	52,923	52,923	54,539	56,222	58,118	60,090
16 Farm	331	354	417	417	435	443	459	475
17 Life insurance companies	208,161	206,841	213,640	213,640	219,063	224,642	226,282	229,053
18 One- to four-family	6,977	7,187	6,590	6,590	6,956	7,295	7,435	7,278
19 Multifamily	30,750	30,402	31,522	31,522	31,528	31,813	32,011	32,460
20 Nonfarm, nonresidential	160,314	158,780	164,004	164,004	168,862	173,568	174,642	177,092
21 Farm	10,120	10,472	11,524	11,524	11,717	11,966	12,194	12,223
22 Federal and related agencies	295,192	286,167	292,636	292,636	288,176 ^f	288,038	322,098	321,717
23 Government National Mortgage Association	2	8	7	7	6	8	8	7
24 One- to four-family	2	8	7	7	6	8	8	7
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	41,596	41,195	40,851	40,851	40,691	40,766	73,705	73,871
27 One- to four-family	17,303	17,253	16,895	16,895	16,777	16,653	16,583	16,506
28 Multifamily	11,685	11,720	11,739	11,739	11,731	11,735	11,438	11,741
29 Nonfarm, nonresidential	6,841	7,370	7,705	7,705	7,769	7,943	41,068	41,355
30 Farm	5,768	4,852	4,513	4,513	4,413	4,435	4,308	4,268
31 Federal Housing and Veterans' Administrations	6,244	3,821	3,674	3,674	3,538 ^f	3,490	3,889	3,737
32 One- to four-family	3,524	1,767	1,849	1,849	1,713 ^f	1,623	2,013	1,862
33 Multifamily	2,719	2,054	1,825	1,825	1,825	1,867	1,876	1,876
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	2,431	724	361	361	315	189	163	152
40 One- to four-family	365	109	54	54	47	28	24	23
41 Multifamily	413	123	61	61	54	32	28	26
42 Nonfarm, nonresidential	1,653	492	245	245	214	129	111	103
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	168,813	161,308	157,675	157,675	157,185	155,637	154,420	152,633
45 One- to four-family	155,008	149,831	147,594	147,594	147,063	145,033	142,982	141,195
46 Multifamily	13,805	11,477	10,081	10,081	10,122	10,604	11,438	11,438
47 Federal Land Banks	29,602	30,657	32,983	32,983	33,128	33,666	34,218	34,640
48 One- to four-family	1,742	1,804	1,941	1,941	1,949	1,949	2,013	2,038
49 Farm	27,860	28,853	31,042	31,042	31,179	31,685	32,205	32,602
50 Federal Home Loan Mortgage Corporation	46,504	48,454	57,085	57,085	53,313	54,282	55,695	56,676
51 One- to four-family	41,758	42,629	49,106	49,106	44,140	43,574	44,010	44,321
52 Multifamily	4,746	5,825	7,979	7,979	9,173	10,708	11,685	12,355
53 Mortgage pools or trusts ⁵	2,044,049 ^f	2,240,928 ^f	2,587,942 ^f	2,587,942 ^f	2,715,181 ^f	2,810,119 ^f	2,891,145	2,954,654
54 Government National Mortgage Association	506,340	536,879	537,446	537,446	543,280	553,196 ^f	569,038	582,296
55 One- to four-family	494,158	523,225	522,498	522,498	527,886	537,288 ^f	552,670	565,222
56 Multifamily	12,182	13,654	14,948	14,948	15,395	15,909	16,368	17,074
57 Federal Home Loan Mortgage Corporation	554,260	579,385	646,459	646,459	687,179	718,085	738,581	749,081
58 One- to four-family	551,513	576,846	643,465	643,465	684,240	714,844	735,088	744,619
59 Multifamily	2,747	2,539	2,994	2,994	2,939	3,241	3,493	4,462
60 Federal National Mortgage Association	650,780	709,582	834,518	834,518	881,815	911,435	938,484	960,883
61 One- to four-family	633,210	687,981	804,205	804,205	849,513	877,863	903,531	924,941
62 Multifamily	17,570	21,601	30,313	30,313	32,302	33,572	34,953	35,942
63 Farmers Home Administration ⁴	3	2	1	1	1	1	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	3	2	1	1	1	1	0	0
68 Private mortgage conduits	332,666 ^f	415,080 ^f	569,518 ^f	569,518 ^f	602,906 ^f	627,403 ^f	645,041	662,394
69 One- to four-family ⁶	261,900	318,000	410,900	410,900	430,653	447,938	455,276	462,600
70 Multifamily	16,113 ^f	20,278 ^f	32,586 ^f	32,586 ^f	35,455 ^f	37,065 ^f	38,551	40,164
71 Nonfarm, nonresidential	54,654 ^f	76,802 ^f	126,033 ^f	126,033 ^f	136,798 ^f	142,400 ^f	151,215	159,630
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	559,609	573,619	607,888	607,888	614,081	627,440 ^f	638,833	649,008
74 One- to four-family	363,143	366,744	392,343	392,343	393,047	404,028	414,094	421,125
75 Multifamily	69,179	72,629	74,971	74,971	75,249	75,524	75,512	77,690
76 Nonfarm, nonresidential	109,119	115,467	120,600	120,600	125,638	127,310	128,311	129,057
77 Farm	18,169	18,779	19,974	19,974	20,147	20,578 ^f	20,917	21,137

1. Multifamily debt refers to loans on structures of five or more units.

2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.

3. Includes savings banks and savings and loan associations.

4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.

5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.

7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.

SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1997	1998	1999 ^f	1999					2000
				Aug.	Sept.	Oct. ^f	Nov. ^f	Dec. ^f	Jan.
				Seasonally adjusted					
1 Total	1,234,122	1,300,491	1,395,406	1,363,184	1,366,575	1,371,887	1,385,037	1,395,406	1,412,361
2 Revolving	531,295	560,653	595,964	584,523	584,512	584,845	589,803	595,964	603,455
3 Nonrevolving	702,828	739,838	799,442	778,661	782,063	787,041	795,233	799,442	808,906
Not seasonally adjusted									
4 Total	1,264,103	1,331,742	1,428,519	1,364,404	1,370,079	1,376,998	1,391,686	1,428,519	1,421,679
By major holder									
5 Commercial banks	512,563	508,932	499,758	476,561	472,524	474,042	480,763	499,758	498,137
6 Finance companies	160,022	168,491	181,573	177,331	172,956	174,081	175,296	181,573	184,553
7 Credit unions	152,362	155,406	170,284	162,412	164,055	165,912	167,887	170,284	170,168
8 Savings institutions	47,172	51,611	61,527	59,091	60,055	60,544	61,035	61,527	62,019
9 Nonfinancial business	78,927	74,877	80,316	68,896	67,456	67,965	70,289	80,316	76,041
10 Pools of securitized assets	313,057	372,425	435,061	420,113	433,033	434,454	436,416	435,061	430,761
By major type of credit ⁴									
11 Revolving	555,858	586,528	623,444	580,691	581,361	583,612	592,179	623,444	614,056
12 Commercial banks	219,826	210,346	189,352	170,272	168,882	167,469	172,345	189,352	184,353
13 Finance companies	38,608	32,309	33,814	33,014	30,731	31,453	30,512	33,814	33,938
14 Credit unions	19,552	19,930	20,840	19,335	19,489	19,452	19,739	20,840	20,325
15 Savings institutions	11,441	12,450	15,838	13,233	13,461	14,254	15,046	15,838	16,631
16 Nonfinancial business	44,966	39,166	42,783	35,421	34,156	34,534	36,002	42,783	39,746
17 Pools of securitized assets	221,465	272,327	320,817	309,416	314,642	316,450	318,535	320,817	319,063
18 Nonrevolving	708,245	745,214	805,075	783,713	788,718	793,386	799,507	805,075	807,623
19 Commercial banks	292,737	298,586	310,406	306,289	303,642	306,573	308,418	310,406	313,784
20 Finance companies	121,414	136,182	147,759	144,317	142,225	142,628	144,784	147,759	150,615
21 Credit unions	132,810	135,476	149,444	143,077	144,566	146,460	148,148	149,444	149,843
22 Savings institutions	35,731	39,161	45,689	45,858	46,594	46,290	45,989	45,689	45,388
23 Nonfinancial business	33,961	35,711	37,533	33,475	33,300	33,431	34,287	37,533	36,295
24 Pools of securitized assets	91,592	100,098	114,244	110,697	118,391	118,004	117,881	114,244	111,698

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Comprises motor vehicle loans, mobile home loans, and all other loans that are not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

3. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

4. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	1997	1998	1999	1999						2000
				July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.02	8.72	8.44	n.a.	8.44	n.a.	n.a.	8.66	n.a.	n.a.
2 24-month personal	13.90	13.74	13.39	n.a.	13.38	n.a.	n.a.	13.52	n.a.	n.a.
<i>Credit card plan</i>										
3 All accounts	15.77	15.71	15.21	n.a.	15.08	n.a.	n.a.	15.13	n.a.	n.a.
4 Accounts assessed interest	15.57	15.59	14.81	n.a.	14.79	n.a.	n.a.	14.77	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	7.12	6.30	6.66	6.68	6.28	6.47	7.07	7.44	7.32	7.18
6 Used car	13.27	12.64	12.60	12.67	12.96	13.13	13.28	13.27	13.28	12.95
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	54.1	52.1	52.7	52.0	51.7	52.1	53.2	53.9	53.4	52.9
8 Used car	51.0	53.5	55.9	56.1	55.8	55.9	55.8	55.8	55.6	56.8
<i>Loan-to-value ratio</i>										
9 New car	92	92	92	92	92	92	92	91	91	91
10 Used car	99	99	99	99	100	100	100	99	99	98
<i>Amount financed (dollars)</i>										
11 New car	18,077	19,083	19,880	19,873	20,012	20,154	20,335	20,517	20,699	20,503
12 Used car	12,281	12,691	13,642	13,609	13,374	13,449	13,613	13,777	13,970	13,906

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1994	1995	1996	1997	1998	1998			1999			
						Q2	Q3	Q4	Q1	Q2	Q3 ^f	Q4
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	568.0 ^f	712.0 ^f	735.6 ^f	775.8 ^f	1,011.3 ^f	1,033.7 ^f	888.2 ^f	1,056.5 ^f	1,276.6 ^f	871.5 ^f	1,168.2	1,107.4
By sector and instrument												
2 Federal government	155.8	144.4	145.0	23.1	-52.6	-28.4	-113.5	-54.1	-75.2	-112.2	-83.1	-16.9
3 Treasury securities	155.7	142.9	146.6	23.2	-54.6	-26.9	-113.1	-66.3	-73.7	-112.8	-83.2	-16.9
4 Budget agency securities and mortgages	.2	1.5	-1.6	-1	2.0	-1.4	-4	12.2	-1.5	.6	.0	.0
5 Nonfederal	412.2 ^f	567.6	590.6 ^f	752.7 ^f	1,063.9 ^f	1,062.0 ^f	1,001.7 ^f	1,110.7 ^f	1,351.8 ^f	983.7 ^f	1,251.3	1,124.3
By instrument												
6 Commercial paper	21.4	18.1	-9	13.7	24.4	3.8	85.6	-43.0	58.3 ^f	-2.6 ^f	49.8	44.0
7 Municipal securities and loans	-35.9	-48.2	2.6	71.4	96.8	101.3	82.9	89.6	100.7	48.0	77.0	47.0
8 Corporate bonds	23.3	91.1	116.3	150.5	218.7	294.8	108.0	193.2	274.0	287.6	202.8	155.2
9 Bank loans n.e.c.	75.2	103.7	70.5	106.5	108.2	169.2	107.8	120.9	70.0	22.2	112.8	123.7
10 Other loans and advances	34.0	67.2	33.5	69.1	74.3	40.8	77.7	102.5	154.1 ^f	-14.3 ^f	78.9	66.6
11 Mortgages	169.3 ^f	196.7 ^f	280.0 ^f	289.0 ^f	473.9 ^f	390.1 ^f	460.2 ^f	577.5 ^f	563.1 ^f	580.4 ^f	652.8	571.9
12 Home	183.4	180.4	245.3	237.6	367.9	289.1	375.2	429.1	414.9 ^f	422.9	492.8	396.4
13 Multifamily residential	-3.5 ^f	5.5 ^f	9.3 ^f	7.7 ^f	19.2 ^f	19.8 ^f	13.2 ^f	25.9 ^f	32.4 ^f	32.0 ^f	43.7	45.7
14 Commercial	-12.9 ^f	9.3 ^f	22.9 ^f	40.6 ^f	80.5 ^f	74.5 ^f	66.3 ^f	113.9 ^f	112.1 ^f	116.6 ^f	109.1	124.9
15 Farm	2.2	1.6	2.6	3.2	6.2	6.7	5.5	8.6	3.6	9.0	7.2	4.9
16 Consumer credit	124.9	138.9	88.8	52.5	67.6	62.1	79.6	69.9	131.5 ^f	62.4 ^f	77.3	115.9
By borrowing sector												
17 Household	316.3	350.9	354.0	327.3	471.9	420.3	473.4	528.6	558.6 ^f	519.4 ^f	614.6	533.8
18 Nonfinancial business	142.2 ^f	268.2 ^f	243.4 ^f	369.4 ^f	511.7 ^f	559.8 ^f	458.3 ^f	507.0 ^f	705.8 ^f	428.6 ^f	579.7	559.8
19 Corporate	134.5 ^f	234.7 ^f	154.9 ^f	285.7 ^f	405.7 ^f	456.9 ^f	353.4 ^f	396.1 ^f	597.5 ^f	315.3 ^f	449.9	413.4
20 Nonfarm noncorporate	3.3	30.6	83.8	77.4	98.4	95.4	97.6	103.3	101.6	114.2	120.2	140.8
21 Farm	4.4	2.9	4.8	6.2	7.7	7.5	7.3	7.5	6.6	-1.0 ^f	9.7	5.6
22 State and local government	-46.2	-51.5	-6.8	56.1	80.3	82.0	70.0	75.1	87.4	35.7	57.0	30.7
23 Foreign net borrowing in United States	-13.9	71.1	77.2	57.6	33.6	97.9	-19.6	-38.9	17.0 ^f	-36.8 ^f	62.2	30.8
24 Commercial paper	-26.1	13.5	11.3	3.7	7.8	-25.5	6.2	-4.7	18.0 ^f	-27.5 ^f	41.1	33.6
25 Bonds	12.2	49.7	55.8	47.2	25.1	119.2	-27.2	-34.2	.9	-12.6	29.4	-8.2
26 Bank loans n.e.c.	1.4	8.5	9.1	8.5	6.7	8.4	3.6	9.8	9	5.6	-6.6	2.4
27 Other loans and advances	-1.4	-5	1.0	-1.8	-6.0	-4.2	-2.2	-9.7	-2.8	-2.3	-1.6	3.0
28 Total domestic plus foreign	554.1 ^f	783.1 ^f	812.9 ^f	833.4 ^f	1,044.9 ^f	1,131.6 ^f	868.6 ^f	1,017.7 ^f	1,293.5 ^f	834.8 ^f	1,230.4	1,138.2
Financial sectors												
29 Total net borrowing by financial sectors	468.4	453.9	548.9	652.2	1,068.8	988.9	1,056.3	1,298.7	1,213.1 ^f	1,016.1 ^f	1,078.0	1,056.5
By instrument												
30 Federal government-related	287.5	204.1	231.5	212.8	470.9	405.4	555.8	673.3	592.2	578.9 ^f	653.0	543.9
31 Government-sponsored enterprise securities	176.9	105.9	90.4	98.4	278.3	166.4	294.0	510.5	193.0	304.7	407.1	367.9
32 Mortgage pool securities	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3	245.9	176.0
33 Loans from U.S. government	-4.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	180.9	249.8	317.5	439.4	597.9	583.5	500.5	625.4	620.9 ^f	437.2 ^f	425.1	512.6
35 Open market paper	40.5	42.7	92.2	166.7	161.0	135.6	141.0	130.7	78.3	57.8	89.8	478.9
36 Corporate bonds	121.8	195.9	176.9	209.0	291.8	361.8	177.4	281.9	489.7 ^f	263.2 ^f	184.9	-56.8
37 Bank loans n.e.c.	-13.7	2.5	12.6	13.2	30.1	-9.7	60.2	12.4	-8.8	10.5	-6.2	-50.1
38 Other loans and advances	22.6	3.4	27.9	35.6	90.2	76.0	82.3	169.9	41.6	117.9	147.2	121.8
39 Mortgages	9.8	5.3	7.9	14.9	24.8	19.9	39.6	30.6	20.1	-12.3	9.4	18.8
By borrowing sector												
40 Commercial banking	20.1	22.5	13.0	46.1	72.9	80.8	61.7	66.3	31.1	72.7	111.3	62.7
41 Savings institutions	12.8	2.6	25.5	19.7	52.2	31.2	63.7	103.2	58.0	58.6	55.2	11.5
42 Credit unions	.2	-.1	.1	.1	.6	.2	1.0	.4	1.5	1.4	2.8	3.3
43 Life insurance companies	.3	-.1	1.1	.2	.7	-.6	1.6	1.8	3.3	3.0	1.1	-4.4
44 Government-sponsored enterprises	172.1	105.9	90.4	98.4	278.3	166.4	294.0	510.5	193.0	304.7	407.1	367.9
45 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3	245.9	176.0
46 Issuers of asset-backed securities (ABSs)	76.5	142.4	153.9	200.7	316.3	352.4	294.2	335.7	299.4 ^f	309.2 ^f	227.4	114.3
47 Finance companies	48.7	50.2	45.9	48.7	43.0	91.9	-12.0	17.8	71.2	88.4	-22.6	88.2
48 Mortgage companies	-11.5	-2.2	4.1	-4.6	1.6	-28.2	2.3	3.0	-4.6	5.1	-6.1	6.2
49 Real estate investment trusts (REITs)	10.2	4.5	11.9	39.6	62.7	64.4	79.3	44.0	25.6	-19.7	7.9	17.7
50 Brokers and dealers	.5	-5.0	-2.0	8.1	7.2	20.0	-2.6	12.4	-31.1	-17.4	16.9	-37.3
51 Funding corporations	23.1	34.9	64.1	80.7	40.7	-28.6	11.2	40.9	166.5	-63.8	31.2	250.5

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹—Continued

Transaction category or sector	1994	1995	1996	1997	1998	1998			1999			
						Q2	Q3	Q4	Q1	Q2	Q3 ^f	Q4
	All sectors											
52 Total net borrowing, all sectors	1,022.5 ^f	1,237.0 ^f	1,361.8 ^f	1,485.6 ^f	2,113.7 ^f	2,120.5 ^f	1,924.9 ^f	2,316.4 ^f	2,506.6 ^f	1,850.9 ^f	2,308.5	2,194.7
53 Open market paper	35.7	74.3	102.6	184.1	193.1	113.8	232.7	83.0	154.6 ^f	27.7 ^f	180.6	556.5
54 U.S. government securities	448.1	348.5	376.5	235.9	418.3	377.1	442.3	619.1	517.0	466.8 ^f	569.8	527.0
55 Municipal securities	-35.9	-48.2	2.6	71.4	96.8	101.3	82.9	89.6	100.7	48.0	77.0	47.0
56 Corporate and foreign bonds	157.3	336.7	348.9	406.7	535.6	775.8	258.2	440.9	764.6 ^f	538.2 ^f	417.1	90.3
57 Bank loans n.e.c.	62.9	114.7	92.1	128.2	145.0	167.9	171.6	143.0	62.1	38.3	100.0	75.9
58 Other loans and advances	50.4	70.1	62.5	102.8	158.5	112.5	157.8	262.7	192.9 ^f	101.3 ^f	224.5	191.4
59 Mortgages	179.0 ^f	202.0 ^f	287.9 ^f	303.9 ^f	498.6 ^f	410.0 ^f	499.8 ^f	608.1 ^f	583.2 ^f	568.2 ^f	662.1	590.7
60 Consumer credit	124.9	138.9	88.8	52.5	67.6	62.1	79.6	69.9	131.5 ^f	62.4 ^f	77.3	115.9
	Funds raised through mutual funds and corporate equities											
61 Total net issues	113.4	131.5	209.1	165.6	76.5 ^f	261.6 ^f	-166.6 ^f	-3.5 ^f	135.4 ^f	143.3 ^f	47.7	167.7
62 Corporate equities	12.8	-16.0	-28.5	-99.6	-198.1 ^f	-116.2 ^f	-340.0 ^f	-228.3 ^f	-117.9 ^f	-64.9 ^f	-79.1	-9.2
63 Nonfinancial corporations	-44.9	-58.3	-69.5	-114.4	-267.0	-129.1	-308.4	-491.3	-52.2 ^f	-338.2 ^f	-138.6	-41.6
64 Foreign shares purchased by U.S. residents	48.1	50.4	60.0	42.0	77.8	12.3	-32.8	317.4	-33.4	270.9	76.7	64.0
65 Financial corporations	9.6	-8.1	-19.0	-27.1	-8.9 ^f	.6 ^f	1.1 ^f	-54.5 ^f	-32.3 ^f	2.4 ^f	-17.2	-31.6
66 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	377.8	173.4	224.8	253.3	208.2	126.8	176.9

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

Billions of dollars except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1994	1995	1996	1997	1998	1998			1999			
						Q2	Q3	Q4	Q1	Q2	Q3 ¹	Q4
NET LENDING IN CREDIT MARKETS ²												
1 Total net lending in credit markets	1,022.5 ^f	1,237.0 ^f	1,361.8 ^f	1,485.6 ^f	2,113.7 ^f	2,120.5 ^f	1,924.9 ^f	2,316.4 ^f	2,506.6 ^f	1,850.9 ^f	2,308.5	2,194.7
2 Domestic nonfederal nonfinancial sectors	223.4 ^f	-98.4 ^f	15.1 ^f	-79.2 ^f	35.1 ^f	461.4 ^f	27.9 ^f	-304.3 ^f	398.8 ^f	351.3 ^f	147.9	55.0
3 Household	260.2 ^f	-3.0 ^f	63.4 ^f	-76.5 ^f	-64.0 ^f	335.0 ^f	-106.6 ^f	-425.4 ^f	347.4 ^f	280.9 ^f	147.9	-59.1
4 Nonfinancial corporate business	17.7	-8.8	-10.2 ^f	-2.3	-.3 ^f	-47.9	8.9 ^f	29.3 ^f	-1.1 ^f	17.3 ^f	34.6	82.1
5 Nonfarm noncorporate business	.6	4.7	-4.3	-6	.0	.0	.0	.0	.4	-2	-6	.0
6 State and local governments	-55.0	-91.4	-33.7	.1	99.5	174.3	125.7	91.7	52.2	53.3	-33.9	32.0
7 Federal government	-27.4	-2	-7.4	5.1	13.5	12.9	13.8	11.7	17.0 ^f	6.9 ^f	11.4	12.9
8 Rest of the world	132.3	273.9	414.4	310.7	249.3	321.8	60.8	390.7	253.3 ^f	37.4 ^f	371.3	237.3
9 Financial sectors	694.1	1,061.7	939.7	1,249.0	1,815.8 ^f	1,324.5 ^f	1,822.3 ^f	2,218.3 ^f	1,837.5 ^f	1,455.2 ^f	1,777.8	1,889.5
10 Monetary authority	31.5	12.7	12.3	38.3	21.1	11.5	41.6	3.5	71.8	62.4	34.1	-65.7
11 Commercial banking	163.4	265.9	187.5	324.3	305.2	132.7	250.1	531.5	68.9	135.4	435.5	592.8
12 U.S.-chartered banks	148.1	186.5	119.6	274.9	312.0	130.0	309.2	540.2	134.1	231.5	410.7	494.2
13 Foreign banking offices in United States	11.2	75.4	63.3	40.2	-11.9	15.2	-68.1	-12.1	-54.9	-105.7	30.6	49.5
14 Bank holding companies	.9	-.3	3.9	5.4	-.9	-17.6	6.0	-7.4	-6.0	.4	-12.4	42.6
15 Banks in U.S.-affiliated areas	3.3	4.2	.7	3.7	6.0	5.1	2.9	10.7	-4.4	9.2	6.6	6.6
16 Savings institutions	6.7	-7.6	19.9	-4.7	36.3	2.1	17.9	113.3	102.7	88.8	60.9	22.0
17 Credit unions	28.1	16.2	25.5	16.8	19.0	22.7	21.0	16.0	34.7	32.1	36.6	21.2
18 Bank personal trusts and estates	7.1	-8.3	-7.7	-25.0	-12.8	-11.3	-16.0	-13.5	-7.6	-8.4	-8.6	-9.1
19 Life insurance companies	72.0	100.0	69.6	104.8	76.9	63.4	65.6	86.0	82.2	84.0	52.9	71.3
20 Other insurance companies	24.9	21.5	22.5	25.2	20.4	-1.5	-7.7	67.6	-19.7	26.7	-14.4	-12.6
21 Private pension funds	46.1	56.0	52.3	65.5	118.7	130.1	95.5 ^f	174.5 ^f	60.6 ^f	150.0	45.4	104.9
22 State and local government retirement funds	30.9	33.6	37.3	63.8	66.0 ^f	78.4	68.7 ^f	49.5 ^f	76.5 ^f	27.3 ^f	38.4	49.1
23 Money market mutual funds	30.0	86.5	88.8	87.5	244.0	208.1	255.5	353.1	227.6	-92.6	232.1	360.8
24 Mutual funds	-7.1	52.5	48.9	80.9	124.8	146.4	92.9	103.5	103.0	121.0	-20.2	1.1
25 Closed-end funds	-3.7	10.5	4.7	-2.9	4.5	4.5	4.5	4.5	4.4	4.4	4.3	4.3
26 Government-sponsored enterprises	117.8	86.7	84.2	94.3	260.8	150.6	264.7	429.5	157.2	259.2	287.5	264.6
27 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3 ^f	245.9	176.0
28 Asset-backed securities issuers (ABSS)	69.4	120.6	123.6	162.3	276.7	321.4	248.7	312.7	281.8 ^f	292.4 ^f	218.9	84.5
29 Finance companies	48.3	49.9	18.4	21.9	51.9	24.0	79.5	75.3	92.2	79.6	94.7	116.9
30 Mortgage companies	-24.0	-3.4	8.2	-9.1	3.2	-56.4	4.5	6.0	-9.1	10.2	-12.1	12.3
31 Real estate investment trusts (REITs)	-7	1.4	4.4	20.2	-5.1	6.1	-11.3	-40.8	1.7	-2.2	-2.7	-7.3
32 Brokers and dealers	-44.2	90.1	-15.7	14.9	6.8 ^f	-133.2 ^f	146.0 ^f	-226.1 ^f	88.0 ^f	-193.7 ^f	16.3	-37.4
33 Funding corporations	-17.8	-21.2	14.0	55.6	5.0 ^f	-14.2 ^f	-61.4 ^f	9.4 ^f	21.5 ^f	104.4 ^f	32.4	140.0
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,022.5 ^f	1,237.0 ^f	1,361.8 ^f	1,485.6 ^f	2,113.7 ^f	2,120.5 ^f	1,924.9 ^f	2,316.4 ^f	2,506.6 ^f	1,850.9 ^f	2,308.5	2,194.7
Other financial sources												
35 Official foreign exchange	-5.8	8.8	-6.3	.7	6.6	8.1	8.9	8.6	-14.0	-5.4	-8.5	-5.5
36 Special drawing rights certificates	.0	2.2	-.5	-.5	.0	.0	.0	.0	-4.0	.0	-4.0	-4.0
37 Treasury currency	.7	.6	.1	.0	.0	.2	1.7	-2.3	.0	2.1	2.0	-4.1
38 Foreign deposits	52.9	35.3	85.9	106.8	-.2	92.9	84.9	-131.9	127.7	99.3	63.6	-55.9
39 Net interbank transactions	89.8	10.0	-51.6	-19.7	-32.3 ^f	40.1	44.7 ^f	-118.9 ^f	49.5 ^f	90.6 ^f	-36.0	-55.4
40 Checkable deposits and currency	-9.7	-12.7	15.8	41.5	47.6	90.1	-24.9	72.8	61.1	10.1	141.0	394.2
41 Small time and savings deposits	-39.9	96.6	97.2	97.1	152.4	84.9	144.7	281.2	-68.0	100.0	144.7	4.3
42 Large time deposits	19.6	65.6	114.0	122.5	92.1	-5.6	81.8	104.4	-5.9	42.6	105.2	379.2
43 Money market fund shares	43.3	142.3	145.8	157.6	285.5	247.2	367.9	313.1	204.9	100.5	180.3	516.7
44 Security repurchase agreements	78.2	110.5	41.4	120.9	91.3 ^f	50.7 ^f	274.8 ^f	-181.8 ^f	253.3 ^f	-27.9 ^f	114.6	345.7
45 Corporate equities	12.8	-16.0	-28.5	-99.6	-198.1 ^f	-116.2 ^f	-340.0 ^f	-228.3 ^f	-117.9 ^f	-64.9 ^f	-79.1	-9.2
46 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	377.8	173.4	224.8	253.3	208.2	126.8	176.9
47 Trade payables	120.0	128.9	114.8	125.9	27.9 ^f	-27.9	57.9 ^f	-56.9 ^f	144.8 ^f	237.1 ^f	190.8	90.4
48 Security credit	-.1	26.7	52.4	111.0	103.3 ^f	131.3 ^f	149.5 ^f	-25.7 ^f	-66.6 ^f	139.9 ^f	29.5	271.1
49 Life insurance reserves	35.5	45.8	44.5	59.3	53.3	53.3	51.7	59.0	40.8	59.6	41.5	63.2
50 Pension fund reserves	254.7	235.1	246.9	304.0	290.4 ^f	272.8 ^f	279.2 ^f	314.8 ^f	286.1 ^f	324.4	305.0	373.5
51 Taxes payable	2.6	6.2	16.0	16.8	12.5 ^f	1.9 ^f	27.5	8.4 ^f	-8.0 ^f	41.8 ^f	-1.8	14.0
52 Investment in bank personal trusts	17.8	4.0	-8.6	-56.3	-48.0	-46.5	-51.2	-48.8	-32.0	-25.9	-34.3	-32.3
53 Noncorporate proprietors' equity	62.7 ^f	65.6 ^f	51.1 ^f	9.9 ^f	-19.9 ^f	-19.2 ^f	-64.0 ^f	16.3 ^f	10.1 ^f	16.0 ^f	-47.4	-18.5
54 Miscellaneous	253.4 ^f	453.6 ^f	508.1 ^f	527.5 ^f	710.0 ^f	434.1 ^f	749.8 ^f	577.8 ^f	129.4 ^f	1,223.6 ^f	360.0	682.3
55 Total financial sources	2,111.6 ^f	2,793.5 ^f	2,992.0 ^f	3,376.2 ^f	3,962.6 ^f	3,790.4 ^f	3,943.2 ^f	3,502.8 ^f	3,751.3 ^f	4,422.5 ^f	3,902.2	5,321.4
Liabilities not identified as assets (-)												
56 Treasury currency	-2	-.5	-.9	-.6	-.7	-.3	1.1	-3.4	-1.5	.6	.2	-6.3
57 Foreign deposits	43.0	25.1	59.6	106.8	-8.1	149.9	69.9	-156.5	62.7	83.5 ^f	19.9	13.6
58 Net interbank liabilities	-2.7	-3.1	-3.3	-19.9	3.4	8.9	22.3	-52.8	58.7	-1.7	-1.0	-53.1
59 Security repurchase agreements	67.7	20.2	4.5	62.3	54.1 ^f	-18.6 ^f	153.8 ^f	-11.0 ^f	209.4 ^f	67.5 ^f	43.0	-153.9
60 Taxes payable	16.6	21.1	22.8	26.8	17.7 ^f	9.1	28.2	19.1 ^f	25.4 ^f	4.8 ^f	2.4	-10.1
61 Miscellaneous	-120.2 ^f	-179.5 ^f	-37.3 ^f	-214.7 ^f	-58.3 ^f	-323.0 ^f	-70.6 ^f	.7 ^f	-408.9 ^f	-568.0 ^f	-539.2	-112.4
Floats not included in assets (-)												
62 Federal government checkable deposits	-4.8	-6.0	.5	-2.7	2.6	-44.4	32.4	14.0	-1.8	-41.4	23.0	-8.7
63 Other checkable deposits	-2.8	-3.8	-4.0	-3.9	-3.1	-2.9	-3.6	-1.8	-1.9	-1.0	-.5	.1
64 Trade credit	27.4	15.6	-21.2	33.2	-30.9 ^f	-110.5	-65.0 ^f	-20.2 ^f	45.8 ^f	-9.9 ^f	71.7	39.7
65 Total identified to sectors as assets	2,087.5 ^f	2,904.5 ^f	2,971.4 ^f	3,388.8 ^f	3,986.1 ^f	4,122.2 ^f	3,774.7 ^f	3,714.5 ^f	3,804.3 ^f	4,888.1 ^f	4,282.6	5,612.6

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.1 and F.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1995	1996	1997	1998	1998			1999			
					Q2	Q3	Q4	Q1	Q2	Q3 ^r	Q4
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	13,723.8 ^r	14,459.4 ^r	15,233.8 ^r	16,245.0 ^r	15,710.4 ^r	15,921.7 ^r	16,245.0 ^r	16,557.5 ^r	16,730.6 ^r	17,048.8	17,385.6
By sector and instrument											
2 Federal government	3,636.7	3,781.8	3,804.9	3,752.2	3,749.0	3,720.2	3,752.2	3,759.7	3,651.7	3,632.7	3,680.4
3 Treasury securities	3,608.5	3,755.1	3,778.3	3,723.7	3,723.4	3,694.7	3,723.7	3,731.6	3,623.4	3,604.5	3,652.1
4 Budget agency securities and mortgages	28.2	26.6	26.5	28.5	25.6	25.5	28.5	28.1	28.3	28.3	28.3
5 Nonfederal	10,087.1 ^r	10,677.7 ^r	11,428.9 ^r	12,492.8 ^r	11,961.4 ^r	12,201.5 ^r	12,492.8 ^r	12,797.8 ^r	13,078.9 ^r	13,416.1	13,705.2
By instrument											
6 Commercial paper	157.4	156.4	168.6	193.0	202.5	216.9	193.0	223.9	232.4	239.3	230.3
7 Municipal securities and loans	1,293.5	1,296.0	1,367.5	1,464.3	1,429.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5
8 Corporate bonds	1,344.1	1,460.4	1,610.9	1,829.6	1,754.3	1,781.3	1,829.6	1,898.1	1,970.0	2,020.7	2,059.5
9 Bank loans n.e.c.	863.6	934.1	1,040.5	1,148.8	1,097.6	1,120.6	1,148.8	1,165.2	1,178.5	1,202.9	1,231.0
10 Other loans and advances	736.9	770.4	839.5	913.8	873.1	886.8	913.8	957.5 ^r	953.5 ^r	967.1	985.4
11 Mortgages	4,568.8 ^r	4,848.9 ^r	5,137.8 ^r	5,611.7 ^r	5,347.9 ^r	5,469.5 ^r	5,611.7 ^r	5,742.9 ^r	5,894.2 ^r	6,097.4	6,238.1
12 Home	3,510.4	3,721.9	3,959.5	4,327.5	4,122.0	4,222.4	4,327.5	4,420.2 ^r	4,532.1	4,662.4	4,759.2
13 Multifamily residential	265.5 ^r	278.4 ^r	286.1 ^r	305.3 ^r	295.5 ^r	298.8 ^r	305.3 ^r	313.6 ^r	321.6 ^r	332.6	344.0
14 Commercial	708.5 ^r	761.4 ^r	801.9 ^r	882.4 ^r	837.4 ^r	853.9 ^r	882.4 ^r	911.7 ^r	940.8 ^r	1,001.0	1,032.2
15 Farm	84.6	87.1	90.3	96.5	93.0	94.4	96.5	97.4	99.6 ^r	101.4	102.7
16 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,256.8	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,428.5
By borrowing sector											
17 Household	4,782.8	5,108.0	5,438.0	5,909.9	5,618.8	5,752.1	5,909.9	5,993.0	6,136.7	6,306.1	6,466.8
18 Nonfinancial business	4,234.1 ^r	4,506.2 ^r	4,871.4 ^r	5,383.1 ^r	5,171.8 ^r	5,270.7 ^r	5,383.1 ^r	5,581.7 ^r	5,704.0 ^r	5,867.6	5,985.9
19 Corporate	2,936.6 ^r	3,120.2 ^r	3,401.7 ^r	3,807.3 ^r	3,649.0 ^r	3,722.1 ^r	3,807.3 ^r	3,981.8 ^r	4,071.9 ^r	4,203.6	4,285.7
20 Nonfarm noncorporate	1,152.4	1,236.1	1,313.6	1,411.9	1,361.8	1,385.5	1,411.9	1,437.4	1,466.0	1,495.3	1,531.1
21 Farm	145.1	149.9	156.1	163.8	161.0	163.1	163.8	162.4	166.1	168.7	169.1
22 State and local government	1,070.2	1,063.4	1,119.5	1,199.8	1,170.8	1,178.8	1,199.8	1,223.2	1,238.2	1,242.4	1,252.5
23 Foreign credit market debt held in United States	441.4	518.7	570.1	603.7	617.1	612.8	603.7	607.8	598.2	614.7	622.0
24 Commercial paper	56.2	67.5	65.1	72.9	71.4	74.0	72.9	77.2	70.1	81.8	89.2
25 Bonds	291.9	347.7	394.9	420.0	435.4	428.6	420.0	420.2	417.1	424.4	422.4
26 Bank loans n.e.c.	34.6	43.7	52.1	58.9	55.5	56.4	58.9	59.1	60.5	58.8	59.4
27 Other loans and advances	58.8	59.8	58.0	52.0	54.8	53.8	52.0	51.3	50.5	49.7	51.0
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	14,165.2 ^r	14,978.1 ^r	15,803.9 ^r	16,848.7 ^r	16,327.4 ^r	16,534.4 ^r	16,848.7 ^r	17,165.3 ^r	17,328.8 ^r	17,663.6	18,007.6
Financial sectors											
29 Total credit market debt owed by financial sectors	4,278.8	4,827.7	5,446.8	6,515.6	5,926.8	6,195.5	6,515.6	6,809.0 ^r	7,073.3 ^r	7,347.6	7,606.6
By instrument											
30 Federal government-related	2,376.8	2,608.3	2,821.1	3,292.0	2,981.4	3,121.7	3,292.0	3,434.1	3,580.7 ^r	3,745.9	3,884.0
31 Government-sponsored enterprise securities	806.5	896.9	995.3	1,273.6	1,072.5	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7
32 Mortgage pool securities	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7 ^r	2,246.1	2,292.3
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	1,901.9	2,219.4	2,625.7	3,223.6	2,945.4	3,073.8	3,223.6	3,374.9 ^r	3,492.6 ^r	3,601.8	3,722.6
35 Open market paper	486.9	579.1	745.7	906.7	838.9	874.2	906.7	926.4	940.9	963.4	1,082.9
36 Corporate bonds	1,204.7	1,381.5	1,557.5	1,849.4	1,738.7	1,786.2	1,849.4	1,968.6 ^r	2,042.8 ^r	2,091.9	2,069.6
37 Bank loans n.e.c.	51.4	64.0	77.2	107.2	88.2	103.2	107.2	104.1	106.8	105.2	93.6
38 Other loans and advances	135.0	162.9	198.5	288.7	225.6	246.2	288.7	299.1	328.6	365.4	395.8
39 Mortgages	24.1	31.9	46.8	71.6	54.1	64.0	71.6	76.6	73.6	75.9	80.6
By borrowing sector											
40 Commercial banks	102.6	113.6	140.6	188.6	159.6	169.6	188.6	187.5	202.7	224.2	232.2
41 Bank holding companies	148.0	150.0	168.6	193.5	190.5	196.1	193.5	202.6	205.5	211.9	219.4
42 Savings institutions	115.0	140.5	160.3	212.4	170.7	186.6	212.4	226.9	241.6	255.4	258.3
43 Credit unions	4	4	6	11	8	10	11	15	18	25	3.4
44 Life insurance companies	5	1.6	1.8	2.5	1.6	2.0	2.5	3.3	4.0	4.3	3.2
45 Government-sponsored enterprises	806.5	896.9	995.3	1,273.6	1,072.5	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7
46 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7 ^r	2,246.1	2,292.3
47 Issuers of asset-backed securities (ABSs)	712.5	866.4	1,078.2	1,394.6	1,230.4	1,307.0	1,394.6	1,463.1 ^r	1,539.9 ^r	1,599.8	1,632.1
48 Brokers and dealers	29.3	27.3	35.3	42.5	40.1	39.4	42.5	34.8	30.4	34.6	25.3
49 Finance companies	483.9	529.8	554.5	597.5	596.9	589.4	597.5	614.4	639.2	628.5	653.8
50 Mortgage companies	16.5	20.6	16.0	17.7	16.3	16.9	17.7	16.5	17.8	16.3	17.8
51 Real estate investment trusts (REITs)	44.6	56.5	96.1	158.8	128.0	147.8	158.8	165.2	160.3	162.2	166.7
52 Funding corporations	248.6	312.7	373.7	414.4	410.5	417.9	414.4	459.1	449.5	462.0	510.5
All sectors											
53 Total credit market debt, domestic and foreign	18,444.0 ^r	19,805.8 ^r	21,250.7 ^r	23,364.4 ^r	22,254.2 ^r	22,730.0 ^r	23,364.4 ^r	23,974.3 ^r	24,402.2 ^r	25,011.2	25,614.2
54 Open market paper	700.4	803.0	979.4	1,172.6	1,112.7	1,165.1	1,172.6	1,227.6	1,243.3	1,284.5	1,402.4
55 U.S. government securities	6,013.6	6,390.0	6,626.0	7,044.3	6,730.3	6,841.9	7,044.3	7,193.8	7,232.4 ^r	7,378.6	7,564.4
56 Municipal securities	1,293.5	1,296.0	1,367.5	1,464.3	1,429.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5
57 Corporate and foreign bonds	2,840.7	3,189.6	3,563.3	4,098.9	3,928.3	3,996.0	4,098.9	4,286.9 ^r	4,429.9 ^r	4,536.9	4,551.5
58 Bank loans n.e.c.	949.6	1,041.7	1,169.8	1,314.9	1,241.3	1,280.3	1,314.9	1,328.3	1,345.7	1,366.9	1,383.9
59 Other loans and advances	930.6	993.1	1,095.9	1,254.4	1,153.6	1,186.8	1,254.4	1,307.8 ^r	1,332.6 ^r	1,382.2	1,432.2
60 Mortgages	4,592.9 ^r	4,880.8 ^r	5,184.7 ^r	5,683.3 ^r	5,402.0 ^r	5,533.5 ^r	5,683.3 ^r	5,819.6 ^r	5,967.8 ^r	6,173.3	6,318.7
61 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,256.8	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,428.5

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1995	1996	1997	1998	1998			1999			
					Q2	Q3	Q4	Q1	Q2	Q3 ¹	Q4
CREDIT MARKET DEBT OUTSTANDING ²											
1 Total credit market assets	18,444.0 ^f	19,805.8 ^f	21,250.7 ^f	23,364.4 ^f	22,254.2 ^f	22,730.0 ^f	23,364.4 ^f	23,974.3 ^f	24,402.2 ^f	25,011.2	25,614.2
2 Domestic nonfederal nonfinancial sectors	2,846.3 ^f	2,906.7 ^f	2,783.8 ^f	2,790.6 ^f	2,837.8 ^f	2,850.6 ^f	2,790.6 ^f	2,877.6 ^f	2,918.4 ^f	2,964.9	3,021.4
3 Household	1,885.0 ^f	1,993.7 ^f	1,873.5 ^f	1,781.1 ^f	1,910.3 ^f	1,889.0 ^f	1,781.1 ^f	1,878.2 ^f	1,898.9 ^f	1,944.2	1,960.4
4 Nonfinancial corporate business	280.4	270.2	268.0	267.6 ^f	238.5	243.2 ^f	267.6 ^f	244.9 ^f	249.6 ^f	261.4	300.9
5 Nonfarm noncorporate business	42.3	38.0	37.4	37.4	37.4	37.4	37.4	37.5	37.5 ^f	37.3	37.3
6 State and local governments	638.6	604.8	605.0	704.4	651.6	681.1	704.4	717.1	732.3	721.9	722.8
7 Federal government	202.7	195.3	200.4	213.9	207.5	210.9	213.9	218.1 ^f	219.8	255.6	258.8
8 Rest of the world	1,531.1	1,926.6	2,256.8	2,534.3	2,396.0	2,412.2	2,534.3	2,601.8 ^f	2,609.8 ^f	2,703.5	2,736.7
9 Financial sectors	13,863.9	14,777.2	16,009.8	17,825.6 ^f	16,812.9 ^f	17,256.3 ^f	17,825.6 ^f	18,276.7 ^f	18,654.2 ^f	19,087.3	19,597.3
10 Monetary authority	380.8	393.1	431.4	452.5	440.3	446.5	452.5	466.0	485.1	489.3	478.1
11 Commercial banking	3,520.1	3,707.7	4,031.9	4,335.7	4,136.4	4,195.7	4,335.7	4,338.4	4,383.4	4,488.3	4,643.9
12 U.S.-chartered banks	3,056.1	3,175.8	3,450.7	3,761.2	3,543.6	3,616.2	3,761.2	3,782.9	3,847.6	3,944.3	4,078.9
13 Foreign banking offices in United States	412.6	475.8	516.1	504.2	525.6	510.1	504.2	487.8	465.7	475.3	484.0
14 Bank holding companies	18.0	22.0	27.4	26.5	26.8	28.3	26.5	25.0	25.1	22.0	32.6
15 Banks in U.S.-affiliated areas	33.4	34.1	37.8	43.8	40.4	41.1	43.8	42.7	45.0	46.7	48.3
16 Savings institutions	913.3	933.2	928.5	964.8	930.8	939.3	964.8	990.8	1,011.4	1,030.8	1,033.4
17 Credit unions	263.0	288.5	305.3	324.2	315.1	320.5	324.2	330.2	341.0	350.2	355.3
18 Bank personal trusts and estates	239.7	232.0	207.0	194.1	201.5	197.5	194.1	192.2	190.1	188.0	185.7
19 Life insurance companies	1,587.5	1,657.0	1,751.1	1,828.0	1,793.2	1,810.6	1,828.0	1,853.7	1,874.7	1,889.2	1,902.7
20 Other insurance companies	468.7	491.2	515.3	535.7	520.8	518.8	535.7	530.8	537.5	533.9	530.7
21 Private pension funds	716.9	769.2	834.7	953.4	885.9	909.8	953.4	968.5	1,006.0	1,017.4	1,043.6
22 State and local government retirement funds	531.0	568.2	632.0	698.0 ^f	668.5	685.7 ^f	698.0 ^f	717.2 ^f	724.0 ^f	733.6	745.8
23 Money market mutual funds	545.5	634.3	721.9	969.9	815.9	869.9	969.9	1,036.2	1,001.8	1,049.7	1,147.8
24 Mutual funds	771.3	820.2	901.1	1,025.9	979.1	1,005.9	1,025.9	1,050.8	1,084.0	1,083.0	1,077.1
25 Closed-end funds	96.4	101.1	98.3	102.8	100.5	101.7	102.8	103.9	105.0	106.1	107.1
26 Government-sponsored enterprises	750.0	807.9	902.2	1,163.0	989.4	1,055.4	1,163.0	1,201.9	1,267.0	1,338.6	1,405.1
27 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7 ^f	2,246.1	2,292.3
28 Asset-backed securities issuers (ABSSs)	653.4	777.0	939.3	1,216.0	1,068.9	1,134.2	1,216.0	1,280.1 ^f	1,352.7 ^f	1,410.5	1,435.4
29 Finance companies	526.2	544.5	566.4	618.4	579.0	592.7	618.4	639.9	660.9	678.2	714.2
30 Mortgage companies	33.0	41.2	32.1	35.3	32.7	33.8	35.3	33.0	35.6	32.5	35.6
31 Real estate investment trusts (REITs)	26.0	30.4	50.6	45.5	58.5	55.7	45.5	45.9	45.3	44.7	42.8
32 Brokers and dealers	183.4	167.7	182.6	189.4 ^f	209.4 ^f	245.9 ^f	189.4 ^f	211.4	162.9 ^f	167.0	157.7
33 Funding corporations	87.4	101.4	152.3	158.7 ^f	178.3	161.3 ^f	158.7 ^f	173.5 ^f	202.9 ^f	210.3	263.0
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	18,444.0 ^f	19,805.8 ^f	21,250.7 ^f	23,364.4 ^f	22,254.2 ^f	22,730.0 ^f	23,364.4 ^f	23,974.3 ^f	24,402.2 ^f	25,011.2	25,614.2
Other liabilities											
35 Official foreign exchange	63.7	53.7	48.9	60.1	50.1	54.5	60.1	53.6	50.9	52.1	50.1
36 Special drawing rights certificates	10.2	9.7	9.2	9.2	9.2	9.2	9.2	8.2	8.2	7.2	6.2
37 Treasury currency	18.2	18.3	18.3	18.3	18.4	18.8	18.3	18.3	18.8	19.3	18.3
38 Foreign deposits	418.8	516.1	618.8	639.9	630.4	651.7	639.9	671.8	696.6	712.5	698.5
39 Net interbank liabilities	290.7	240.8	219.4	188.9 ^f	189.2	198.9 ^f	188.9 ^f	181.8 ^f	203.2 ^f	195.8	199.1
40 Checkable deposits and currency	1,229.3	1,245.1	1,286.6	1,334.2	1,320.7	1,282.3	1,334.2	1,311.4	1,354.1	1,354.9	1,485.8
41 Small time and savings deposits	2,279.7	2,377.0	2,474.1	2,626.5	2,531.0	2,553.8	2,626.5	2,637.6	2,644.6	2,666.6	2,671.8
42 Large time deposits	476.9	590.9	713.4	805.5	754.0	776.5	805.5	804.3	809.0	837.5	935.8
43 Money market fund shares	745.3	991.1	1,048.7	1,334.2	1,153.7	1,249.7	1,334.2	1,416.0	1,398.1	1,449.6	1,584.8
44 Security repurchase agreements	660.0	701.5	822.4	913.7 ^f	892.1 ^f	960.5 ^f	913.7 ^f	980.3	970.8 ^f	999.3	1,085.2
45 Mutual fund shares	1,852.8	2,342.4	2,989.4	3,610.5	3,438.4	3,137.3	3,610.5	3,758.4	4,049.4	3,933.6	4,515.3
46 Security credit	305.7	358.1	469.1	572.3 ^f	539.6 ^f	573.6 ^f	572.3 ^f	552.7	589.3 ^f	593.2	665.8
47 Life insurance reserves	566.2	610.6	665.0	718.3	690.6	703.5	718.3	730.9	745.8	756.2	772.0
48 Pension fund reserves	5,767.8	6,642.5	7,894.4	9,079.2 ^f	8,730.8	8,116.5 ^f	9,079.2 ^f	9,267.0 ^f	9,729.0 ^f	9,487.5	10,360.4
49 Trade payables	1,698.0	1,812.8	1,938.6	1,966.5 ^f	1,933.9	1,953.0 ^f	1,966.5 ^f	1,970.0 ^f	2,028.8 ^f	2,082.0	2,132.3
50 Taxes payable	107.6	123.6	140.4	152.8 ^f	144.6	155.0	152.8 ^f	159.6 ^f	162.1 ^f	165.5	164.4
51 Investment in bank personal trusts	803.0	871.7	942.5	1,001.0	999.8	908.6	1,001.0	1,012.5	1,059.8	998.3	1,116.6
52 Miscellaneous	5,645.8 ^f	6,119.6 ^f	6,698.5 ^f	7,147.3 ^f	6,860.2 ^f	7,041.3 ^f	7,147.3 ^f	7,162.6 ^f	7,311.5 ^f	7,255.7	7,542.8
53 Total liabilities	41,383.6	45,331.1	50,248.3	55,542.8 ^f	53,140.9 ^f	53,074.8 ^f	55,542.8 ^f	56,671.4 ^f	58,232.1 ^f	58,577.8	61,619.3
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	22.1	21.4	21.1	21.6	21.0	21.2	21.6	20.7	20.8	21.3	21.4
55 Corporate equities	8,495.7	10,255.8	13,181.4	15,413.4	14,987.0	13,121.2	15,413.4	15,893.6	17,018.0	16,008.3	18,876.7
56 Household equity in noncorporate business	3,640.4	3,833.2 ^f	4,171.8	4,395.3	4,284.7	4,331.3	4,395.3	4,404.7 ^f	4,488.7 ^f	4,543.3	4,630.3
Liabilities not identified as assets (-)											
57 Treasury currency	-5.8	-6.7	-7.3	-8.0	-7.4	-7.2	-8.0	-8.4	-8.2	-8.2	-9.7
58 Foreign deposits	360.2	431.4	534.0	547.2	547.6	565.1	547.2	562.8	583.7 ^f	588.7	592.1
59 Net interbank transactions	-9.0	-10.6	-32.2	-27.0	-17.1	-15.4	-27.0	-11.3	-10.6	-13.0	-28.2
60 Security repurchase agreements	86.4	90.9	153.1	207.2 ^f	171.6 ^f	216.8 ^f	207.2 ^f	263.6 ^f	276.8 ^f	294.0	248.7
61 Taxes payable	62.4	76.7	93.5	103.4 ^f	95.8	102.2	103.4 ^f	90.6 ^f	111.8 ^f	94.4	92.4
62 Miscellaneous	-1,000.3 ^f	-1,318.8 ^f	-1,636.8 ^f	-2,213.3 ^f	-1,907.9 ^f	-1,959.4 ^f	-2,213.3 ^f	-2,382.4 ^f	-2,510.0 ^f	-2,974.4	-2,953.8
Floats not included in assets (-)											
63 Federal government checkable deposits	3.1	-1.6	-8.1	-3.9	-16.1	-12.0	-3.9	-7.2	-12.4	-10.2	-9.8
64 Other checkable deposits	34.2	30.1	26.2	23.1	24.2	15.7	23.1	18.9	22.1	14.5	22.3
65 Trade credit	198.2	176.7	199.5	168.0	119.4	98.9 ^f	168.0	123.4 ^f	105.0 ^f	119.8	204.8
66 Total identified to sectors as assets	53,812.5 ^f	59,973.5 ^f	68,300.6 ^f	76,576.3 ^f	73,423.6 ^f	71,543.7 ^f	76,576.3 ^f	78,340.3 ^f	81,201.2 ^f	81,045.3	86,988.9

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.1 and L.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1997	1998	1999	1999							2000	
				June	July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^p
1 Industrial production¹	127.1	132.4	137.1	136.6	137.4	137.7	138.1	139.1	139.4	140.2	141.7	142.1
<i>Market groupings</i>												
2 Products, total	119.6	123.7	126.5	126.8	126.9	127.6	127.6	128.5	128.0	128.5	130.1	130.2
3 Final, total	121.1	125.4	128.0	128.3	128.6	129.5	129.1	130.2	129.8	130.1	132.1	132.1
4 Consumer goods	115.1	116.2	116.9	117.0	116.8	117.6	117.1	118.2	117.6	118.2	119.6	119.5
5 Equipment	132.1	142.7	148.9	148.3	149.3	150.5	150.2	151.2	151.4	151.3	154.2	154.4
6 Intermediate	115.3	118.8	122.1	121.7	121.5	121.7	122.6	123.2	122.4	123.2	123.9	124.2
7 Materials	139.0	146.5	154.8	153.1	155.0	154.6	155.7	156.8	158.8	160.1	161.3	162.3
<i>Industry groupings</i>												
8 Manufacturing	130.1	136.4	142.3	141.4	142.0	142.5	142.9	144.2	145.0	145.6	147.0	147.5
9 Capacity utilization, manufacturing (percent) ²	82.4	80.9	79.8	79.6	79.7	79.7	79.7	80.2	80.3	80.4	80.9	80.9
10 Construction contracts ³	144.1	161.1	176.0	186.0	181.0	166.0	172.0	172.0	172.0	171.0	174.0	175.0
11 Nonagricultural employment, total ⁴	120.3	123.4	126.2	126.0	126.3	126.5	126.6	126.9	127.1	127.4	127.8	127.8
12 Goods-producing, total	101.2	102.7	102.3	102.1	102.3	101.9	102.1	102.1	102.4	102.5	103.0	102.9
13 Manufacturing, total	98.3	98.8	97.0	96.8	97.1	96.7	96.7	96.6	96.6	96.6	96.8	96.8
14 Manufacturing, production workers	99.6	99.8	97.8	97.5	98.0	97.4	97.4	97.3	97.4	97.4	97.5	97.6
15 Service-producing	126.5	130.0	133.8	133.6	134.0	134.3	134.4	134.7	135.0	135.4	135.7	135.8
16 Personal income, total	175.4	185.7	196.6	196.4	197.0	197.9	198.1	200.5 ^f	201.3 ^f	201.9 ^f	203.3	204.2
17 Wages and salary disbursements	171.3	184.4	197.0	196.3	197.8	198.6	199.5	200.7	201.3	202.6 ^f	204.4	205.0
18 Manufacturing	144.6	152.4	156.9	156.8	158.2	158.0	158.6	159.7	158.8	158.8 ^f	160.3	161.0
19 Disposable personal income ⁵	172.9	181.7	191.9	191.8	192.1	193.4	193.0	195.6	196.4 ^f	196.7 ^f	198.5	199.1
20 Retail sales ⁶	170.1	178.5	194.4	192.6	194.5	197.1	197.1	197.7	200.3	204.2	205.0	207.2
<i>Prices⁶</i>												
21 Consumer (1982-84=100)	160.5	163.0	166.6	166.2	166.7	167.1	167.9	168.2	168.3	168.3	168.7	169.7
22 Producer finished goods (1982=100)	131.8	130.7	133.1	132.7	132.9	133.7	134.7	135.1	135.0	135.0	134.7	136.0

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1999. The recent annual revision is described in an article in the March 2000 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S. Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F.W. Dodge Division.

4. Based on data from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

NOTE: Basic data (not indexes) for series mentioned in notes 4 and 5, and indexes for series mentioned in notes 3 and 6, can also be found in the *Survey of Current Business*.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

Category	1997	1998	1999	1999						2000	
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^f	Feb.
HOUSEHOLD SURVEY DATA ¹											
1 Civilian labor force ²	136,297	137,673	139,368	139,336	139,372	139,475	139,697	139,834	140,108	140,910	141,165
<i>Employment</i>											
2 Nonagricultural industries ³	126,159	128,085	130,207	130,121	130,296	130,471	130,702	130,788	131,141	131,850	131,954
3 Agriculture	3,399	3,378	3,281	3,278	3,234	3,179	3,238	3,310	3,279	3,371	3,408
<i>Unemployment</i>											
4 Number	6,739	6,210	5,880	5,937	5,842	5,825	5,757	5,736	5,688	5,689	5,804
5 Rate (percent of civilian labor force)	4.9	4.5	4.2	4.3	4.2	4.2	4.1	4.1	4.1	4.0	4.1
ESTABLISHMENT SURVEY DATA											
6 Nonagricultural payroll employment ⁴	122,690	125,826	128,616	128,816	128,945	129,048	129,332	129,589	129,898	130,282	130,325
7 Manufacturing	18,675	18,772	18,431	18,449	18,378	18,366	18,356	18,361	18,361	18,382	18,387
8 Mining	596	590	535	528	524	527	528	527	529	528	530
9 Contract construction	5,691	5,985	6,273	6,270	6,246	6,293	6,314	6,369	6,393	6,509	6,483
10 Transportation and public utilities	6,408	6,600	6,792	6,799	6,813	6,831	6,841	6,862	6,897	6,902	6,894
11 Trade	28,614	29,127	29,792	29,915	29,919	29,903	29,955	29,972	30,061	30,115	30,156
12 Finance	7,109	7,407	7,632	7,647	7,650	7,653	7,668	7,675	7,685	7,679	7,689
13 Service	36,040	37,526	39,000	39,055	39,205	39,257	39,433	39,554	39,657	39,799	39,805
14 Government	19,557	19,819	20,161	20,153	20,210	20,218	20,237	20,269	20,315	20,368	20,381

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

3. Includes self-employed, unpaid family, and domestic service workers.

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1999				1999				1999			
	Q1	Q2	Q3	Q4 ^f	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^f
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²			
1 Total industry	134.6	136.1	137.7	139.6	167.3	169.2	170.7	172.3	80.4	80.5	80.7	81.0
2 Manufacturing	139.2	140.9	142.5	145.0	174.8	176.9	178.7	180.6	79.6	79.6	79.7	80.3
3 Primary processing ³	122.2	122.5	123.4	125.4	147.4	148.2	149.0	149.8	82.9	82.7	82.8	83.7
4 Advanced processing	148.1	150.5	152.5	155.2	188.6	191.4	193.7	196.1	78.5	78.6	78.7	79.2
5 Durable goods	167.1	170.8	174.4	177.4	210.3	214.2	217.6	221.0	79.5	79.8	80.2	80.3
6 Lumber and products	122.2	122.5	120.5	120.6	145.3	146.3	147.4	148.4	84.1	83.7	81.7	81.3
7 Primary metals	122.3	125.1	128.7	130.9	147.6	148.5	149.3	150.1	82.9	84.2	86.2	87.2
8 Iron and steel	116.9	121.4	126.6	129.1	148.5	150.0	151.3	152.5	78.7	80.9	83.7	84.6
9 Nonferrous	129.1	129.6	131.2	133.1	146.5	146.8	147.0	147.2	88.1	88.3	89.3	90.4
10 Industrial machinery and equipment	221.3	227.9	232.3	240.0	265.7	275.5	285.3	295.8	83.3	82.7	81.4	81.1
11 Electrical machinery	349.4	374.6	400.9	420.5	461.8	482.0	498.5	514.6	75.7	77.7	80.4	81.7
12 Motor vehicles and parts	147.5	150.6	153.3	154.7	184.8	184.8	184.9	185.0	79.8	81.5	82.9	83.6
13 Aerospace and miscellaneous transportation equipment	98.9	95.9	93.8	89.6	126.8	126.6	126.2	125.8	78.0	75.7	74.3	71.2
14 Nondurable goods	111.8	111.6	111.5	113.4	139.1	139.5	139.9	140.3	80.4	80.0	79.7	80.8
15 Textile mill products	109.6	111.1	111.6	111.6	131.4	131.5	131.6	131.8	83.4	84.5	84.8	84.7
16 Paper and products	115.8	115.1	116.0	117.9	133.8	134.5	135.3	136.1	86.6	85.6	85.7	86.6
17 Chemicals and products	115.9	116.3	117.0	121.7	150.0	150.4	150.7	151.0	77.3	77.3	77.6	80.6
18 Plastics materials	122.9	123.5	124.2	130.2	135.9	137.2	138.4	139.6	90.4	90.0	89.7	93.3
19 Petroleum products	116.3	114.1	114.6	114.1	121.8	122.2	122.7	123.1	95.6	93.3	93.4	92.7
20 Mining	97.6	97.1	98.2	99.6	120.4	120.3	120.2	120.2	81.1	80.7	81.7	82.9
21 Utilities	114.6	116.6	118.4	113.5	126.9	127.3	127.8	128.2	90.3	91.6	92.7	88.5
22 Electric	116.6	118.9	120.8	116.5	124.7	125.2	125.6	126.1	93.5	95.0	96.2	92.4

	1973	1975	Previous cycle ⁵		Latest cycle ⁶		1999	1999				2000	
	High	Low	High	Low	High	Low	Feb.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^p
	Capacity utilization rate (percent) ²												
1 Total industry	89.2	72.6	87.3	71.1	85.4	78.1	80.4	80.6	81.0	80.9	81.1	81.7	81.7
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	79.7	79.7	80.2	80.3	80.4	80.9	80.9
3 Primary processing ³	91.2	68.2	88.1	66.2	88.9	77.7	82.8	82.8	83.4	83.8	83.8	84.0	84.2
4 Advanced processing	87.2	71.8	86.7	70.4	84.2	76.1	78.7	78.7	79.1	79.2	79.2	79.9	79.7
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	79.3	80.0	80.3	80.3	80.3	81.1	81.0
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	84.2	81.0	81.4	80.7	81.6	82.3	81.8
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	81.4	85.8	86.1	87.4	88.2	88.1	88.4
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	77.1	83.0	82.1	85.7	86.2	85.7	86.3
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	86.7	89.3	91.1	89.4	90.7	91.2	90.9
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	83.4	81.6	81.6	81.1	80.7	81.8	81.3
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	75.2	79.8	81.1	81.3	82.8	84.9	85.0
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	80.0	84.1	84.2	84.2	82.5	84.6	83.9
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	78.3	73.1	71.9	71.2	70.5	70.2	69.6
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	80.7	79.9	80.6	81.0	81.0	81.1	81.3
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	84.1	84.1	85.5	84.5	84.0	85.6	84.9
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	86.7	86.4	86.9	86.7	86.3	86.3	86.9
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	77.7	77.8	79.4	81.3	81.0	80.7	81.4
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	92.0	90.5	94.0	95.4	90.3	91.5	94.8
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	96.0	93.3	93.2	91.7	93.3	92.6	93.4
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	80.9	81.8	82.6	83.0	83.1	83.7	83.3
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	88.7	92.0	89.9	86.5	89.1	91.3	91.9
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	92.1	95.2	92.8	91.8	92.6	94.2	94.5

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1999. The recent annual revision is described in an article in the March 2000 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.

3. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics; stone, clay, and glass; primary metals; and fabricated metals.

4. Advanced processing includes foods; tobacco; apparel; furniture and fixtures; printing and publishing; chemical products such as drugs and toiletries; agricultural chemicals; leather and products; machinery; transportation equipment; instruments; and miscellaneous manufactures.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. Monthly highs, 1988-89; monthly lows, 1990-91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1992 pro- portion	1999 avg.	1999												2000	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan.	Feb. ^p	
			Index (1992 = 100)													
MAJOR MARKETS																
1 Total index	100.0	137.1	134.5	135.1	135.5	136.2	136.6	137.4	137.7	138.1	139.1	139.4	140.2	141.7	142.1	
2 Products	60.5	126.5	125.8	126.0	126.2	126.8	126.8	126.9	127.6	127.6	128.5	128.0	128.5	130.1	130.2	
3 Final products	46.3	128.0	127.3	127.3	127.6	128.2	128.3	128.6	129.5	129.1	130.2	129.8	130.1	132.1	132.1	
4 Consumer goods, total	29.1	116.9	117.2	116.7	116.5	116.8	117.0	116.8	117.6	117.1	118.2	117.6	118.2	119.6	119.5	
5 Durable consumer goods	6.1	152.6	150.9	149.9	152.0	152.8	154.0	153.4	155.5	153.5	157.4	154.4	155.6	159.3	157.8	
6 Automotive products	2.6	144.6	142.0	140.0	142.0	145.4	147.4	143.7	150.6	145.5	147.9	146.2	144.4	149.5	146.9	
7 Autos and trucks	1.7	151.8	148.7	147.0	149.0	153.2	157.5	148.9	162.9	152.8	155.1	154.3	148.7	155.2	150.5	
8 Autos, consumer	.9	102.6	100.2	101.6	102.3	99.9	101.8	102.4	105.0	105.5	103.9	107.2	99.8	105.4	105.0	
9 Trucks, consumer	.7	202.4	198.5	194.1	197.3	207.4	214.2	197.2	221.6	201.9	207.8	203.6	199.0	206.6	198.0	
10 Auto parts and allied goods	.9	133.8	131.8	129.3	131.4	133.6	132.5	135.3	133.8	134.4	136.7	133.8	137.0	140.3	140.6	
11 Other	3.5	158.6	158.0	157.8	160.0	158.3	158.8	161.1	158.7	159.7	165.0	160.7	164.8	167.1	166.6	
12 Appliances, televisions, and air conditioners	1.0	324.5	320.0	317.6	325.8	311.1	319.0	329.9	319.0	326.3	363.1	348.4	359.4	364.5	361.8	
13 Carpeting and furniture	.8	121.7	122.8	119.6	120.2	121.0	121.0	124.1	122.1	124.1	124.8	117.4	122.1	126.5	125.1	
14 Miscellaneous home goods	1.6	114.7	113.6	115.7	116.9	117.2	116.2	115.9	115.4	114.4	114.8	115.0	116.7	116.9	117.4	
15 Nondurable consumer goods	23.0	108.7	109.3	108.9	108.3	108.4	108.4	108.3	108.9	108.7	109.3	109.1	109.5	110.5	110.7	
16 Foods and tobacco	10.3	107.3	109.4	108.4	107.8	107.7	107.3	106.7	106.5	106.2	106.8	107.3	107.4	107.9	107.8	
17 Clothing	2.4	90.6	92.0	91.3	91.8	90.2	90.2	89.2	90.1	89.9	89.4	90.6	89.6	91.0	90.4	
18 Chemical products	4.5	121.7	122.8	121.6	118.7	120.5	120.2	119.4	122.7	120.9	123.1	126.0	126.4	126.7	127.4	
19 Paper products	2.9	102.3	100.4	98.8	99.9	100.3	101.5	102.0	103.2	104.7	106.3	105.1	103.1	104.3	104.5	
20 Energy	2.9	114.1	109.9	115.4	115.1	114.7	115.3	118.6	116.6	117.6	114.5	106.7	112.4	115.6	117.1	
21 Fuels	.8	111.3	113.4	110.7	111.5	110.9	109.9	111.1	110.0	112.0	112.4	110.1	111.7	110.9	114.6	
22 Residential utilities	2.1	115.1	108.2	117.2	116.4	116.1	117.4	121.7	119.3	119.7	114.9	104.3	112.1	117.2	117.7	
23 Equipment	17.2	148.9	144.9	145.9	147.0	148.4	148.3	149.3	150.5	150.2	151.2	151.4	151.3	154.2	154.4	
24 Business equipment	13.2	171.6	166.3	167.5	169.4	171.2	171.2	172.6	173.9	173.7	174.8	175.0	174.9	179.4	179.6	
25 Information processing and related	5.4	248.6	224.5	229.2	236.9	244.3	248.2	253.8	259.9	261.3	265.6	266.7	270.1	278.8	282.3	
26 Computer and office equipment	1.1	840.1	703.1	736.1	773.0	805.8	830.2	851.9	892.8	926.9	950.5	970.0	985.6	1,016.1	1,041.5	
27 Industrial	4.0	135.3	135.8	135.2	136.0	135.3	133.7	135.4	133.6	133.9	134.9	134.6	134.9	138.5	138.2	
28 Transit	2.5	126.7	131.2	129.5	129.4	128.9	128.2	127.5	128.1	124.0	122.3	121.2	116.6	119.3	116.6	
29 Autos and trucks	1.2	131.4	128.9	129.0	130.7	131.2	132.2	131.2	135.3	132.0	133.4	134.2	127.8	135.7	133.1	
30 Other	1.3	131.3	139.9	143.0	135.7	134.0	130.2	123.8	123.2	126.4	125.1	127.5	126.8	125.6	125.1	
31 Defense and space equipment	3.3	74.4	75.4	75.6	75.1	75.2	74.6	74.5	74.7	73.6	73.7	73.0	72.4	70.6	70.2	
32 Oil and gas well drilling	.6	106.8	97.4	100.8	97.2	99.8	100.1	102.0	107.1	111.3	115.7	121.3	124.3	125.5	127.7	
33 Manufactured homes	2	155.2	169.2	168.8	164.7	161.3	158.9	151.5	151.3	144.4	142.6	139.3	138.3	138.5	134.3	
34 Intermediate products, total	14.2	122.1	121.3	121.6	121.7	122.3	121.7	121.5	121.7	122.6	123.2	122.4	123.2	123.9	124.2	
35 Construction supplies	5.3	133.4	132.5	131.7	131.3	132.9	132.6	133.2	132.9	134.1	135.4	134.3	135.0	136.6	137.4	
36 Business supplies	8.9	115.4	114.7	115.6	116.1	116.1	115.3	114.6	115.1	115.8	115.9	115.2	116.2	116.4	116.4	
37 Materials	39.5	154.8	148.7	150.3	150.8	151.7	153.1	155.0	154.6	155.7	156.8	158.8	160.1	161.3	162.3	
38 Durable goods materials	20.8	198.9	189.2	191.9	193.1	194.3	197.2	200.3	199.9	202.3	203.4	206.7	209.6	212.0	213.7	
39 Durable consumer parts	4.0	150.7	148.4	149.9	147.7	148.4	150.5	153.9	147.2	156.0	153.7	154.8	154.8	155.4	157.0	
40 Equipment parts	7.6	360.9	324.3	331.5	340.5	345.0	355.2	364.6	369.0	371.4	377.5	386.8	398.8	406.8	414.0	
41 Other	9.2	131.4	129.8	130.9	130.4	130.4	130.6	131.1	131.6	131.2	131.7	133.4	134.1	134.9	134.8	
42 Basic metal materials	3.1	121.8	116.8	119.8	120.1	119.9	122.6	122.8	123.3	122.1	123.5	125.6	126.4	126.2	126.1	
43 Nondurable goods materials	8.9	114.5	112.4	112.7	112.8	113.8	114.2	114.5	114.4	114.7	117.4	119.1	118.3	117.3	118.7	
44 Textile materials	1.1	101.0	100.2	101.2	101.8	101.8	101.2	101.2	101.1	100.3	102.3	103.3	100.9	99.3	99.6	
45 Paper materials	1.8	117.0	115.6	116.3	116.5	115.3	117.7	116.3	116.3	118.6	118.5	119.3	118.5	117.7	118.8	
46 Chemical materials	3.9	117.2	112.8	113.6	114.2	116.0	116.9	117.7	117.4	117.7	122.0	125.1	123.3	122.5	124.8	
47 Other	2.1	113.5	114.4	113.3	111.9	114.2	112.0	113.0	113.2	112.5	114.9	114.9	116.9	115.7	116.2	
48 Energy materials	9.7	101.7	101.7	102.4	102.2	102.2	101.6	102.9	102.3	101.8	101.5	101.6	101.9	103.0	102.3	
49 Primary energy	6.3	99.2	99.1	99.1	97.3	98.3	98.9	100.2	100.3	99.6	98.8	100.1	99.8	100.5	99.0	
50 Converted fuel materials	3.3	107.2	106.7	108.9	111.7	109.9	106.8	108.0	106.1	106.1	106.5	104.1	105.9	107.7	108.9	
SPECIAL AGGREGATES																
51 Total excluding autos and trucks	97.1	137.0	134.4	135.1	135.4	136.1	136.4	137.3	137.4	138.0	138.9	139.3	140.3	141.6	142.1	
52 Total excluding motor vehicles and parts	95.1	136.4	133.9	134.6	134.9	135.6	135.9	136.7	137.1	137.2	138.3	138.7	139.6	141.0	141.5	
53 Total excluding computer and office equipment	98.2	131.1	129.1	129.5	129.7	130.2	130.6	131.2	131.4	131.5	132.4	132.7	133.3	134.6	134.9	
54 Consumer goods excluding autos and trucks	27.4	115.1	115.5	115.1	114.8	114.8	114.8	115.0	115.2	115.2	116.3	115.6	116.5	117.7	117.9	
55 Consumer goods excluding energy	26.2	117.3	118.0	116.9	116.7	117.0	117.2	116.6	117.7	117.1	118.7	118.8	118.8	120.0	119.8	
56 Business equipment excluding autos and trucks	12.0	176.1	170.6	171.9	173.8	175.7	175.7	177.4	178.3	178.5	179.5	179.7	180.3	184.4	184.9	
57 Business equipment excluding computer and office equipment	12.1	143.7	142.4	142.6	143.4	144.2	143.6	144.4	144.6	143.6	144.0	143.7	143.2	146.8	146.3	
58 Materials excluding energy	29.8	171.9	163.6	165.5	166.3	167.4	169.5	171.6	171.3	173.0	174.7	177.4	179.0	180.2	181.8	

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Group	SIC code	1992 proportion	1999 avg.	1999												2000	
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan.	Feb. ^p	
Index (1992 = 100)																	
MAJOR INDUSTRIES																	
59 Total index	...	100.0	137.1	134.5	135.1	135.5	136.2	136.6	137.4	137.7	138.1	139.1	139.4	140.2	141.7	142.1	
60 Manufacturing	...	85.4	142.3	139.3	139.7	140.2	141.0	141.4	142.0	142.5	142.9	144.2	145.0	145.6	147.0	147.5	
61 Primary processing	...	26.5	123.3	122.1	122.4	122.2	122.5	122.7	123.3	123.4	123.6	124.8	125.6	125.8	126.3	126.7	
62 Advanced processing	...	58.9	151.8	148.4	148.8	149.6	150.7	151.2	151.8	152.6	153.1	154.5	155.2	156.0	157.9	158.4	
63 Durable goods	...	45.0	172.8	166.8	168.1	169.4	170.8	172.2	173.8	174.4	175.0	176.5	177.4	178.5	181.3	181.9	
64 Lumber and products	24	2.0	121.6	122.3	121.7	121.5	123.9	122.2	121.5	120.2	119.7	120.5	119.8	121.4	122.5	122.1	
65 Furniture and fixtures	25	1.4	125.4	124.6	125.8	123.8	124.4	124.4	125.7	126.4	127.9	127.0	125.2	126.9	125.8	126.6	
66 Stone, clay, and glass products	32	2.1	130.5	132.2	130.8	128.8	128.5	127.8	129.3	130.2	129.6	131.2	132.4	131.3	131.1	131.4	
67 Primary metals	33	3.1	126.6	120.1	124.0	123.9	123.9	127.4	128.0	129.6	128.3	129.0	131.1	132.6	132.7	133.1	
68 Iron and steel	331.2	1.7	123.2	114.6	118.1	119.4	120.1	124.5	126.2	127.6	125.9	124.9	130.7	131.8	131.3	132.4	
69 Raw steel	331PT	.1	113.3	106.8	108.3	109.3	111.4	110.7	111.1	115.9	112.4	121.8	124.0	124.2	123.1	124.6	
70 Nonferrous	333-6.9	1.4	130.9	127.0	131.4	129.4	128.6	130.8	130.2	132.1	131.4	134.0	131.7	133.5	134.4	134.0	
71 Fabricated metal products	34	5.0	128.7	128.4	128.5	128.0	127.2	128.3	128.6	128.5	128.4	128.8	129.7	128.8	130.4	130.6	
72 Industrial machinery and equipment	35	8.0	230.1	221.7	224.6	227.0	228.4	228.2	230.0	231.4	235.5	238.3	239.7	241.8	247.8	249.2	
73 Computer and office equipment	357	1.8	1,061.6	907.1	947.6	987.5	1,021.6	1,048.2	1,075.1	1,123.7	1,167.5	1,196.6	1,222.8	1,246.3	1,285.2	1,317.3	
74 Electrical machinery	36	7.3	390.1	347.5	354.0	366.4	373.3	384.2	399.2	401.3	402.1	412.6	418.1	430.8	447.8	455.4	
75 Transportation equipment	37	9.5	122.4	123.2	122.6	122.1	122.8	123.5	122.9	122.9	123.1	122.3	121.8	119.8	121.5	120.6	
76 Motor vehicles and parts	371	4.9	151.0	147.8	148.1	148.4	150.6	152.9	152.2	152.2	155.6	155.7	155.8	152.7	156.9	155.8	
77 Autos and light trucks	371PT	2.6	137.8	135.0	134.0	135.7	138.3	142.0	135.8	146.8	139.4	140.7	141.0	135.0	141.2	137.6	
78 Aerospace and miscellaneous transportation equipment	372-6.9	4.6	94.8	99.3	97.9	96.5	96.0	95.2	94.7	94.7	92.2	90.6	89.5	88.6	88.0	87.2	
79 Instruments	38	5.4	116.5	112.9	113.7	115.1	116.7	117.0	117.2	117.7	117.2	118.3	118.9	119.7	118.2	118.6	
80 Miscellaneous	39	1.3	124.7	121.8	122.9	124.2	125.5	124.5	125.2	125.2	125.1	125.0	125.0	126.4	127.0	125.7	
81 Nondurable goods	...	40.4	111.8	112.3	111.8	111.5	111.9	111.3	111.0	111.5	111.8	113.0	113.6	113.7	113.9	114.2	
82 Foods	20	9.4	110.1	111.4	110.9	110.6	110.6	110.0	108.9	108.9	109.6	110.1	110.3	110.0	110.1	110.6	
83 Tobacco products	21	1.6	94.3	99.2	95.4	94.1	95.4	94.5	96.0	94.8	90.9	91.9	93.1	94.7	96.7	94.6	
84 Textile mill products	22	1.8	110.9	110.5	110.1	111.4	110.9	110.8	112.3	111.7	110.8	112.7	111.4	110.8	113.0	112.0	
85 Apparel products	23	2.2	90.7	92.2	91.8	92.4	91.2	90.7	89.8	89.2	89.0	89.1	89.1	89.2	89.7	89.8	
86 Paper and products	26	3.6	116.2	115.9	115.9	115.0	114.6	115.7	115.0	115.8	117.2	118.0	118.1	117.7	117.8	118.8	
87 Printing and publishing	27	6.7	104.4	104.3	103.7	104.2	104.1	103.5	102.8	103.6	104.6	106.0	105.7	105.6	105.5	105.3	
88 Chemicals and products	28	9.9	117.4	116.6	116.8	115.6	117.0	116.3	115.8	117.7	117.4	119.8	122.7	122.4	122.1	123.3	
89 Petroleum products	29	1.4	114.7	117.0	114.9	114.6	114.2	113.4	115.1	114.1	114.6	114.5	112.8	115.0	114.1	115.3	
90 Rubber and plastic products	30	3.5	137.7	135.6	135.8	136.2	137.4	136.4	138.0	137.6	139.3	138.9	139.3	141.4	142.6	141.8	
91 Leather and products	31	.3	69.8	71.5	71.3	70.6	70.9	71.3	69.1	70.2	69.5	68.2	67.7	65.2	68.1	66.4	
92 Mining	...	6.9	98.0	97.4	97.5	96.7	97.4	97.1	97.8	98.5	98.3	99.2	99.7	99.8	100.5	99.8	
93 Metal	10	.5	97.2	101.3	98.5	100.5	100.2	98.9	96.2	93.0	91.4	94.2	94.5	95.8	95.8	93.5	
94 Coal	12	1.0	108.1	108.9	103.9	107.3	106.1	107.0	110.0	110.7	109.4	108.8	110.0	109.5	106.3	101.9	
95 Oil and gas extraction	13	4.8	92.5	90.7	92.1	90.8	91.8	91.4	92.3	93.2	93.0	94.0	94.5	95.0	96.6	95.8	
96 Stone and earth minerals	14	.6	124.4	127.1	126.6	121.8	123.9	123.3	120.5	123.0	125.5	126.3	125.0	122.7	127.1	127.9	
97 Utilities	...	7.7	115.7	112.6	116.8	116.3	116.1	117.4	119.8	117.8	117.7	115.2	110.9	114.3	117.3	118.1	
98 Electric	491.493PT	6.2	118.2	114.9	119.1	118.6	118.4	119.6	122.6	120.0	119.8	116.9	115.8	116.9	119.1	119.6	
99 Gas	492.493PT	1.6	105.4	102.5	106.4	105.7	105.8	107.5	107.4	108.2	108.5	107.9	88.2	102.6	109.9	111.6	
SPECIAL AGGREGATES																	
100 Manufacturing excluding motor vehicles and parts	...	80.5	141.7	138.9	139.3	139.8	140.5	140.8	141.4	142.0	142.3	143.6	144.5	145.3	146.5	147.1	
101 Manufacturing excluding computer and office equipment	...	83.6	135.3	133.0	133.1	133.4	134.1	134.3	134.8	135.1	135.3	136.5	137.1	137.6	138.8	139.1	
102 Computers, communications equipment, and semiconductors	...	5.9	794.1	676.0	700.3	731.6	753.3	780.5	812.1	830.4	843.0	863.9	887.7	917.1	959.9	984.6	
103 Manufacturing excluding computers and semiconductors	...	81.1	121.6	121.1	121.0	120.9	121.3	121.2	121.3	121.6	121.7	122.6	122.9	122.9	123.9	123.9	
104 Manufacturing excluding computers, communications equipment, and semiconductors	...	79.5	119.3	119.1	118.9	118.7	119.1	118.9	118.9	119.1	119.3	120.1	120.4	120.5	121.1	121.1	
Gross value (billions of 1992 dollars, annual rates)																	
Major Markets																	
105 Products, total	...	2,001.9	2,726.1	2,699.9	2,701.8	2,710.2	2,721.9	2,723.6	2,726.1	2,742.0	2,740.2	2,762.6	2,740.0	2,751.0	2,792.2	2,793.7	
106 Final	...	1,552.1	2,101.5	2,079.5	2,080.1	2,087.2	2,095.3	2,100.3	2,102.8	2,118.5	2,112.5	2,132.5	2,115.8	2,120.8	2,157.5	2,158.2	
107 Consumer goods	...	1,049.6	1,295.0	1,292.3	1,287.9	1,288.4	1,290.1	1,295.1	1,292.4	1,301.3	1,297.0	1,311.7	1,294.7	1,302.4	1,319.3	1,320.8	
108 Equipment	...	502.5	808.1	788.1	793.3	800.1	806.7	806.7	812.3	819.0	817.5	822.5	823.4	820.3	840.7	839.8	
109 Intermediate	...	449.9	623.4	619.1	620.4	621.7	625.2	622.1	622.0	622.4	626.4	628.9	623.0	628.9	633.5	634.3	

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1999. The recent annual revision is described in an article in the March 2000 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization:

Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1997	1998	1999 ^f	1999										2000
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan.	
Private residential real estate activity (thousands of units except as noted)														
NEW UNITS														
1 Permits authorized	1,441	1,612	1,640	1,572	1,591	1,641	1,641	1,619	1,506	1,594	1,612	1,622	1,772	
2 One-family	1,062	1,188	1,232	1,214	1,243	1,241	1,247	1,210	1,171	1,178	1,200	1,228	1,318	
3 Two-family or more	379	425	408	358	348	400	394	409	335	416	412	394	454	
4 Started	1,474	1,617	1,667	1,561	1,649	1,562	1,704	1,657	1,628	1,636	1,663	1,769	1,758	
5 One-family	1,134	1,271	1,335	1,248	1,368	1,269	1,348	1,285	1,290	1,343	1,344	1,441	1,363	
6 Two-family or more	340	346	332	313	281	293	356	372	338	293	319	328	395	
7 Under construction at end of period ¹	833 ^f	935	1,022	1,026 ^f	1,026 ^f	1,013 ^f	1,017 ^f	1,026	1,021	1,020 ^f	1,022	1,028	1,041	
8 One-family	570	637 ^f	704	704 ^f	706 ^f	698 ^f	702 ^f	706 ^f	702 ^f	706 ^f	708	712	720	
9 Two-family or more	264	297	318	322 ^f	320 ^f	315	315 ^f	320 ^f	319 ^f	314	314	316	321	
10 Completed	1,404 ^f	1,473	1,634	1,635 ^f	1,680 ^f	1,657 ^f	1,619 ^f	1,581 ^f	1,642 ^f	1,608 ^f	1,653	1,644	1,556	
11 One-family	1,120	1,158	1,306	1,325 ^f	1,355 ^f	1,336 ^f	1,262 ^f	1,251 ^f	1,307 ^f	1,274 ^f	1,345	1,315	1,258	
12 Two-family or more	285	315	328	310 ^f	325 ^f	321 ^f	357 ^f	330 ^f	335 ^f	334 ^f	308	329	298	
13 Mobile homes shipped	354	374	348	368	365	355	336	340	320	321	316	304	307	
Merchant builder activity in one-family units														
14 Number sold	804	886	907	930 ^f	896 ^f	948 ^f	936 ^f	914 ^f	848 ^f	906 ^f	886	921	882	
15 Number for sale at end of period ¹	287	300	327	301 ^f	305 ^f	305 ^f	306 ^f	307	311	314 ^f	318	321	326	
Price of units sold (thousands of dollars) ²														
16 Median	146.0	152.5	160.0	160.0	154.8	158.3	157.9	154.9	162.0	160.0 ^f	170.7	164.0	154.4	
17 Average	176.2	181.9	194.9	191.4	188.2	193.4	188.8	193.3	194.4	200.3 ^f	211.5	203.8	194.8	
EXISTING UNITS (one-family)														
18 Number sold	4,382 ^f	4,970	5,197	5,240 ^f	5,040 ^f	5,590 ^f	5,310 ^f	5,300 ^f	5,150 ^f	4,880 ^f	5,150	5,140	4,450	
Price of units sold (thousands of dollars) ²														
19 Median	121.8	128.4	133.3	130.7	132.8	136.9	136.0	137.4	134.4	132.5	133.2	133.7	132.2	
20 Average	150.5	159.1	168.3	163.8	167.4	174.2	171.9	174.3	170.2	167.2	168.9	168.8	168.9	
Value of new construction (millions of dollars) ³														
CONSTRUCTION														
21 Total put in place	617,877	664,451	706,216	704,582	698,461	698,852	701,961	698,439	698,168	701,933	716,458	731,832	751,764	
22 Private	474,842	518,987	547,282	547,885	546,880	546,931	545,992	541,793	540,939	543,796	549,331	556,327	569,007	
23 Residential	265,908	293,569	321,746	322,213	321,803	320,913	320,350	319,656	320,048	322,658	325,734	330,133	338,234	
24 Nonresidential	208,933	225,418	225,536	225,672	225,077	226,018	225,642	222,137	220,891	221,138	223,597	226,194	230,773	
25 Industrial buildings	31,355	32,308	26,621	26,217	24,975	25,465	26,246	25,703	25,566	25,268	26,036	26,063	26,116	
26 Commercial buildings	86,190	95,252	103,028	102,180	104,134	104,457	103,355	102,407	102,728	102,454	104,182	103,485	107,929	
27 Other buildings	37,198	39,438	38,734	39,737	38,876	38,592	38,412	37,791	37,727	38,436	37,726	38,393	38,946	
28 Public utilities and other	54,190	58,421	57,153	57,538	57,092	57,504	57,629	56,236	54,870	54,980	55,653	58,253	57,782	
29 Public	143,035	145,464	158,934	156,697	151,581	151,921	155,969	156,646	157,229	158,137	167,128	175,505	182,757	
30 Military	2,559	2,588	2,133	2,268	2,128	2,137	2,275	1,682	1,947	2,092	1,946	2,380	1,848	
31 Highway	44,295	45,067	50,749	50,897	48,542	45,518	47,822	48,182	49,031	46,988	54,061	59,434	66,242	
32 Conservation and development	5,576	5,487	6,174	6,016	5,101	5,845	5,820	6,598	6,268	6,305	6,683	6,970	6,465	
33 Other	90,605	92,322	99,878	97,516	95,810	98,421	100,052	100,184	99,983	102,752	104,438	106,721	108,202	

1. Not at annual rates.

2. Not seasonally adjusted.

3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Census Bureau in July 1976.

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Feb. 2000
	1999 Feb.	2000 Feb.	1999				1999			2000		
			Mar.	June	Sept.	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	
CONSUMER PRICES ² (1982-84=100)												
1 All items	1.6	3.2	1.7	2.7	3.9	2.4	.2	.2	.2	.2	.5	169.7
2 Food	2.4	1.8	1.7	1.5	2.5	2.2	.2	.2	.1	-.1	.4	166.3
3 Energy items	-5.7	19.9	4.5	16.5	26.0	7.8	.0	.1	1.8	1.0	4.6	116.7
4 All items less food and energy	2.1	2.1	1.4	2.1	2.5	1.8	.2	.2	.1	.2	.2	179.4
5 Commodities .....	.7	.3	-2.7	1.7	2.5	-6	.1	-.2	-.1	-.2	.0	144.2
6 Services	2.8	2.8	2.9	2.3	2.5	3.1	.2	.4	.2	.3	.3	199.5
PRODUCER PRICES (1982=100)												
7 Finished goods .....	.5	4.0	1.5	2.5	6.8	1.2	.0	.2	.1	.0	1.0	136.0
8 Consumer foods .....	.4	1.3	2.7	-.6	3.3	-1.8	-.3 ^f	-.1 ^f	.0	.1	.4	135.9
9 Consumer energy	-7.6	24.7	8.6	22.4	37.6	6.9	-.4 ^f	1.7 ^f	.4	.7	5.2	87.4
10 Other consumer goods	3.6	1.5	-.8	.8	3.8	1.1	.2	.0	.1	-.4	.5	153.6
11 Capital equipment .....	.1	.3	-.3	.0	.3	1.2	.2	-.1	.1	.1	.0	138.4
Intermediate materials												
12 Excluding foods and feeds	-2.6	5.6	.7	5.7	6.6	4.2	.2 ^f	.5 ^f	.4	.4	.8	127.7
13 Excluding energy	-1.8	2.7	-.9	2.8	3.4	2.4	.2	.1	.2	.3	.2	135.4
Crude materials												
14 Foods	-6.6	-.6	10.2	-7.7	3.7	-4.0	.1 ^f	1.0 ^f	-2.1	.7	.7	97.6
15 Energy	-18.0	73.8	-21.1	163.8	134.4	-24.3	-7.0 ^f	9.9 ^f	-8.7	4.4	10.0	102.2
16 Other	-13.1	15.4	2.2	7.0	22.6	24.5	2.4 ^f	1.1 ^f	2.0	3.2	-.2	151.0

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data at seasonally adjusted annual rates

Account	1997	1998	1999	1998	1999				
				Q4	Q1	Q2	Q3	Q4	
GROSS DOMESTIC PRODUCT									
1 Total	8,300.8	8,759.9	9,254.6	8,947.6	9,072.7	9,146.2	9,297.8	9,501.6	
By source									
2 Personal consumption expenditures	5,524.4	5,848.6	6,257.3	5,973.7	6,090.8	6,200.8	6,303.7	6,434.2	
3 Durable goods	642.9	698.2	758.6	722.8	739.0	751.6	761.8	782.0	
4 Nondurable goods	1,641.7	1,708.9	1,842.7	1,742.9	1,787.8	1,824.8	1,853.9	1,904.3	
5 Services	3,239.8	3,441.5	3,656.0	3,508.0	3,564.0	3,624.3	3,688.0	3,747.9	
6 Gross private domestic investment	1,383.7	1,531.2	1,622.9	1,580.3	1,594.3	1,585.4	1,635.0	1,676.9	
7 Fixed investment	1,315.4	1,460.0	1,577.8	1,508.9	1,543.3	1,567.8	1,594.2	1,605.8	
8 Nonresidential	986.1	1,091.3	1,166.5	1,121.4	1,139.9	1,155.4	1,181.6	1,189.2	
9 Structures	254.1	272.8	272.7	278.0	274.7	272.5	272.1	271.5	
10 Producers' durable equipment	732.1	818.5	893.8	843.4	865.2	882.9	909.5	917.7	
11 Residential structures	329.2	368.7	411.3	387.5	403.4	412.4	412.7	416.6	
12 Change in business inventories	68.3	71.2	45.1	71.4	51.0	17.6	40.8	71.1	
13 Nonfarm	65.6	70.9	41.7	56.2	40.9	12.8	40.1	73.0	
14 Net exports of goods and services	-88.3	-149.6	-255.5	-161.2	-201.6	-245.8	-278.2	-296.4	
15 Exports	968.0	966.3	997.4	981.8	966.9	978.2	1,008.5	1,036.2	
16 Imports	1,056.3	1,115.9	1,252.9	1,143.1	1,168.5	1,224.0	1,286.6	1,332.6	
17 Government consumption expenditures and gross investment	1,481.0	1,529.7	1,629.8	1,554.8	1,589.1	1,605.9	1,637.2	1,687.0	
18 Federal	537.8	538.7	570.5	546.7	557.4	561.6	569.8	593.2	
19 State and local	943.2	991.0	1,059.3	1,008.1	1,031.8	1,044.3	1,067.4	1,093.8	
By major type of product									
20 Final sales, total	8,232.4	8,688.7	9,209.4	8,876.2	9,021.6	9,128.6	9,257.0	9,430.5	
21 Goods	3,074.1	3,239.1	3,437.7	3,318.4	3,365.6	3,406.6	3,453.2	3,525.5	
22 Durable	1,424.8	1,528.9	1,619.3	1,571.4	1,584.3	1,601.7	1,631.1	1,660.0	
23 Nondurable	1,649.3	1,710.3	1,818.5	1,747.0	1,781.3	1,804.9	1,822.2	1,865.5	
24 Services	4,434.7	4,664.6	4,930.5	4,747.9	4,820.7	4,885.5	4,963.7	5,052.1	
25 Structures	723.7	785.1	841.2	809.9	835.3	836.5	840.1	852.9	
26 Change in business inventories	68.3	71.2	45.1	71.4	51.0	17.6	40.8	71.1	
27 Durable goods	35.6	39.0	26.2	38.6	24.1	6.3	23.0	51.4	
28 Nondurable goods	32.8	32.3	19.0	32.8	27.0	11.4	17.8	19.7	
MEMO									
29 Total GDP in chained 1996 dollars	8,165.1	8,516.3	8,867.0	8,659.2	8,737.9	8,778.6	8,900.6	9,050.9	
NATIONAL INCOME									
30 Total	6,634.9	7,036.4	n.a.	7,193.8	7,334.5	7,423.1	7,522.1	n.a.	
31 Compensation of employees	4,675.7	5,011.2	5,331.8	5,134.7	5,217.7	5,287.1	5,373.6	5,448.8	
32 Wages and salaries	3,884.7	4,189.5	4,472.4	4,300.8	4,371.5	4,432.6	4,509.4	4,576.0	
33 Government and government enterprises	664.4	692.8	726.5	702.8	715.8	721.3	730.3	738.6	
34 Other	3,220.3	3,496.7	3,745.9	3,598.0	3,655.7	3,711.3	3,779.1	3,837.4	
35 Supplement to wages and salaries	791.0	821.7	859.4	833.9	846.2	854.5	864.2	872.8	
36 Employer contributions for social insurance	290.1	306.0	323.6	311.8	318.3	321.5	325.7	329.1	
37 Other labor income	500.9	515.7	535.8	522.1	528.0	533.0	538.5	543.7	
38 Proprietors' income ¹	578.6	606.1	658.5	637.1	639.9	655.3	654.0	684.8	
39 Business and professional ¹	549.1	581.0	627.1	596.0	607.5	621.2	633.0	646.6	
40 Farm ¹	29.5	25.1	31.4	41.1	32.5	34.1	21.0	38.2	
41 Rental income of persons ²	130.2	137.4	145.9	147.0	148.6	148.8	139.0	147.1	
42 Corporate profits ¹	837.9	846.1	n.a.	834.3	882.0	875.5	879.2	n.a.	
43 Profits before tax ¹	795.9	781.9	n.a.	766.7	818.1	835.8	853.8	n.a.	
44 Inventory valuation adjustment	7.4	20.9	n.a.	20.8	13.3	-13.6	-26.7	n.a.	
45 Capital consumption adjustment	34.6	43.3	52.0	46.9	50.6	53.2	52.1	52.0	
46 Net interest	412.5	435.7	n.a.	440.8	446.3	456.4	476.3	n.a.	

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.
 SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

Billions of current dollars except as noted; quarterly data at seasonally adjusted annual rates

Account	1997	1998	1999 ¹	1998	1999			
				Q4	Q1	Q2	Q3	Q4 ²
PERSONAL INCOME AND SAVING								
1 Total personal income	6,951.1	7,358.9	7,791.0	7,530.8	7,630.2	7,732.6	7,831.4	7,969.6
2 Wage and salary disbursements	3,888.9	4,186.0	4,472.4	4,297.3	4,371.5	4,432.6	4,509.4	4,576.0
3 Commodity-producing industries	975.5	1,038.7	1,082.4	1,056.6	1,062.9	1,075.1	1,090.2	1,101.3
4 Manufacturing	718.8	757.5	779.7	765.6	767.0	774.8	786.4	790.6
5 Distributive industries	879.1	944.6	1,005.8	969.9	986.3	997.6	1,013.4	1,025.7
6 Service industries	1,369.8	1,509.9	1,657.7	1,568.0	1,606.6	1,638.5	1,675.5	1,710.4
7 Government and government enterprises	664.4	692.8	726.5	702.8	715.8	721.3	730.3	738.6
8 Other labor income	500.9	515.7	535.8	522.1	528.0	533.0	538.5	543.7
9 Proprietors' income ¹	578.6	606.1	658.5	637.1	639.9	655.3	654.0	684.8
10 Business and professional ¹	549.1	581.0	627.1	596.0	607.5	621.2	633.0	646.6
11 Farm ¹	29.5	25.1	31.4	41.1	32.5	34.1	21.0	38.2
12 Rental income of persons ²	130.2	137.4	145.9	147.0	148.6	148.8	139.0	147.1
13 Dividends	333.4	348.3	364.3	351.9	356.1	361.2	367.0	373.1
14 Personal interest income	854.9	897.8	930.5	906.4	907.4	920.5	938.8	955.5
15 Transfer payments	962.4	983.6	1,018.1	991.0	1,007.8	1,013.6	1,021.3	1,029.8
16 Old-age survivors, disability, and health insurance benefits	565.8	578.1	596.4	581.1	588.9	593.0	599.0	604.7
17 LESS: Personal contributions for social insurance	298.1	315.9	334.6	322.0	328.9	332.3	336.7	340.4
18 EQUALS: Personal income	6,951.1	7,358.9	7,791.0	7,530.8	7,630.2	7,732.6	7,831.4	7,969.6
19 LESS: Personal tax and nontax payments	968.3	1,072.6	1,151.9	1,113.0	1,124.8	1,139.4	1,160.4	1,183.2
20 EQUALS: Disposable personal income	5,982.8	6,286.2	6,639.0	6,417.8	6,505.4	6,593.2	6,671.0	6,786.5
21 LESS: Personal outlays	5,711.7	6,056.6	6,483.5	6,190.3	6,310.3	6,425.2	6,531.5	6,666.8
22 EQUALS: Personal saving	271.1	229.7	155.5	227.5	195.1	168.0	139.5	119.6
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	30,466.7	31,471.8	32,456.0	31,882.1	32,112.7	32,179.8	32,543.4	33,008.2
24 Personal consumption expenditures	20,275.2	21,059.2	21,965.4	21,339.3	21,640.6	21,854.1	22,059.5	22,320.5
25 Disposable personal income	21,954.0	22,636.0	23,309.0	22,924.0	23,110.0	23,239.0	23,343.0	23,542.0
26 Saving rate (percent)	4.5	3.7	2.3	3.5	3.0	2.5	2.1	1.8
GROSS SAVING								
27 Gross saving	1,521.3	1,646.0	n.a.	1,685.4	1,727.8	1,709.5	1,735.6	n.a.
28 Gross private saving	1,362.0	1,371.2	n.a.	1,382.3	1,389.4	1,359.3	1,355.7	n.a.
29 Personal saving	271.1	229.7	155.5	227.5	195.1	168.0	139.5	119.6
30 Undistributed corporate profits ¹	265.9	257.2	n.a.	246.5	277.6	259.5	252.4	n.a.
31 Corporate inventory valuation adjustment	7.4	20.9	n.a.	20.8	13.3	-13.6	-26.7	n.a.
Capital consumption allowances								
32 Corporate	579.4	619.2	666.3	637.1	645.8	657.2	676.5	685.8
33 Noncorporate	249.8	261.5	278.9	267.7	271.0	274.6	287.2	282.8
34 Gross government saving	159.3	274.8	n.a.	303.0	338.3	350.2	379.9	n.a.
35 Federal	37.7	134.3	n.a.	147.8	187.2	208.3	225.1	n.a.
36 Consumption of fixed capital	86.6	87.4	90.9	88.1	89.6	90.2	91.2	92.4
37 Current surplus or deficit (-), national accounts	-48.8	46.9	n.a.	59.7	97.6	118.1	133.8	n.a.
38 State and local	121.5	140.5	n.a.	155.2	151.1	141.9	154.8	n.a.
39 Consumption of fixed capital	94.0	98.8	105.1	101.1	102.4	104.3	106.0	107.8
40 Current surplus or deficit (-), national accounts	27.5	41.7	n.a.	54.2	48.7	37.6	48.9	n.a.
41 Gross investment	1,518.1	1,598.4	n.a.	1,623.0	1,628.4	1,574.0	1,594.4	n.a.
42 Gross private domestic investment	1,383.7	1,531.2	1,622.9	1,580.3	1,594.3	1,585.4	1,635.0	1,676.9
43 Gross government investment	258.1	268.7	297.6	272.6	289.8	292.2	295.7	312.8
44 Net foreign investment	-123.7	-201.5	n.a.	-229.9	-255.7	-303.7	-336.3	n.a.
45 Statistical discrepancy	-3.2	-47.6	n.a.	-62.4	-99.4	-135.5	-141.2	n.a.

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1997	1998	1999	1998	1999			
				Q4	Q1	Q2	Q3	Q4 ^P
1 Balance on current account	-143,465	-220,562	-338,918	-61,669	-68,902 ^F	-81,157 ^F	-89,085	-99,779
2 Balance on goods and services	-104,730	-164,282	-267,548	-43,262	-54,177 ^F	-65,290 ^F	-72,588	-75,496
3 Exports	938,543	933,907	960,088	236,904	231,567 ^F	234,174 ^F	243,254	251,092
4 Imports	-1,043,273	-1,098,189	-1,227,636	-280,166	-285,744 ^F	-299,464 ^F	-315,842	-326,588
5 Income, net	3,231	-12,205	-24,789	-4,933	-4,419 ^F	-4,692 ^F	-5,289	-10,391
6 Investment, net	8,185	-6,956	-19,186	-3,571	-3,029 ^F	-3,308 ^F	-3,887	-8,964
7 Direct	69,220	59,405	58,433	14,558	14,757 ^F	13,913 ^F	16,543	13,218
8 Portfolio	-61,035	-66,361	-77,619	-18,129	-17,786 ^F	-17,221 ^F	-20,430	-22,182
9 Compensation of employees	-4,954	-5,249	-5,603	-1,362	-1,390 ^F	-1,384 ^F	-1,402	-1,427
10 Unilateral current transfers, net	-41,966	-44,075	-46,581	-13,474	-10,306 ^F	-11,175 ^F	-11,208	-13,892
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	68	-429	-365	-50	119	-392	-686	594
12 Change in U.S. official reserve assets (increase, -)	-1,010	-6,784	8,749	-2,369	4,068	1,159	1,950	1,572
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-350	-149	12	-227	563	-190	-185	-176
15 Reserve position in International Monetary Fund	-3,575	-5,118	5,485	-1,924	3	1,413	2,268	1,801
16 Foreign currencies	2,915	-1,517	3,252	-218	3,502	-64	-133	-53
17 Change in U.S. private assets abroad (increase, -)	-464,354	-285,605	-380,951	-48,188	-19,581 ^F	-155,726 ^F	-114,652	-90,988
18 Bank-reported claims ²	-144,822	-24,918	-61,424	37,192	27,771	-42,519	-8,799	-37,877
19 Nonbank-reported claims	-120,403	-25,041	-69,493	16,202	-13,853	-16,816	-24,066	-14,758
20 U.S. purchases of foreign securities, net	-89,174	-102,817	-97,882	-70,809	8,132	-64,579	-34,431	-7,004
21 U.S. direct investments abroad, net	-109,955	-132,829	-152,152	-30,773	-41,631 ^F	-31,812 ^F	-47,356	-31,349
22 Change in foreign official assets in United States (increase, +)	18,119	-21,684	44,570	24,352	4,708	-628	11,881	28,609
23 U.S. Treasury securities	-6,690	-9,957	12,073	31,836	800	-6,708	12,963	5,018
24 Other U.S. government obligations	4,529	6,332	20,350	1,562	5,993	5,792	1,835	6,730
25 Other U.S. government liabilities ³	-1,798	-3,113	-3,698	-1,054	-1,594	-647	-1,070	-387
26 Other U.S. liabilities reported by U.S. banks ⁴	22,286	-11,469	14,937	-7,133	-589	1,437	-2,032	16,121
27 Other foreign official assets ⁴	-208	3,477	908	-859	98	-502	185	1,127
28 Change in foreign private assets in United States (increase, +)	733,542	524,321	706,195	125,453	84,260 ^F	275,007 ^F	195,854	151,077
29 U.S. bank-reported liabilities ²	149,026	40,731	67,713	-21,811	-14,184	34,938	22,629	24,330
30 U.S. nonbank-reported liabilities	107,779	9,412	29,411	-53,210	20,188	8,871	3,475	-3,123
31 Foreign private purchases of U.S. Treasury securities, net	146,433	46,155	-21,756	24,391	-8,781	-5,407	9,639	-17,207
32 U.S. currency flows	24,782	16,622	22,407	6,250	2,440	3,057	4,697	12,213
33 Foreign purchases of other U.S. securities, net	196,258	218,026	325,913	49,328	61,540	79,067	94,573	90,733
34 Foreign direct investments in United States, net	109,264	193,375	282,507	120,505	23,057 ^F	154,481 ^F	60,841	44,131
35 Capital account transactions, net ⁵	292	617	-172	166	166	178	175	-691
36 Discrepancy	-143,192	10,126	-39,108	-37,695	-4,838 ^F	-38,441 ^F	-5,437	9,606
37 Due to seasonal adjustment	...	...	...	4,144	5,650 ^F	662 ^F	-9,615	3,301
38 Before seasonal adjustment	-143,192	10,126	-39,108	-41,839	-10,488	-39,103	4,178	6,305
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, -)	-1,010	-6,784	8,749	-2,369	4,068	1,159	1,950	1,572
40 Foreign official assets in United States, excluding line 25 (increase, +)	19,917	-18,571	48,268	25,406	6,302	19	12,951	28,996
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,124	-11,499	968	2,057	2,058	1,966	-983	-2,073

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.

2. Reporting banks included all types of depository institutions as well as some brokers and dealers.

3. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.

4. Consists of investments in U.S. corporate stocks and in debt securities of private

corporations and state and local governments.

5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1997	1998	1999	1999 ^f						2000
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Goods and services, balance	-104,731	-164,282	-271,310	-25,295	-23,747	-23,548	-24,935	-25,974	-24,610	-28,003
2 Merchandise	-196,652	-246,932	-347,130	-31,482	-30,192	-30,271	-31,876	-32,869	-31,494	-34,740
3 Services	91,921	82,650	75,820	6,187	6,445	6,723	6,941	6,895	6,884	6,737
4 Goods and services, exports	938,543	933,907	958,491	78,798	82,188	82,266	82,711	83,021	85,562	84,064
5 Merchandise	679,715	670,246	683,021	55,795	59,044	58,839	58,832	59,184	61,942	60,426
6 Services	258,828	263,661	275,470	23,003	23,144	23,427	23,879	23,837	23,620	23,638
7 Goods and services, imports	-1,043,273	-1,098,189	-1,229,802	-104,093	-105,935	-105,814	-107,646	-108,995	-110,172	-112,067
8 Merchandise	-876,366	-917,178	-1,030,152	-87,277	-89,236	-89,110	-90,708	-92,053	-93,436	-95,166
9 Services	-166,907	-181,011	-199,650	-16,816	-16,699	-16,704	-16,938	-16,942	-16,736	-16,901

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE: *FT900*, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1996	1997	1998	1999					2000		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^P
1 Total	75,090	69,954	81,755	72,649	73,414	73,230	72,318	71,516	69,898	69,309	70,789
2 Gold stock, including Exchange Stabilization Fund ¹	11,049	11,050	11,041	11,046	11,047	11,049	11,049	11,089	11,048	11,048	11,048
3 Special drawing rights ^{2,3}	10,312	10,027	10,603	10,152	10,284	10,232	10,326	10,336	10,199	10,277	10,335
4 Reserve position in International Monetary Fund ²	15,435	18,071	24,111	19,885	19,978	19,571	18,707	17,950	17,710	17,578	17,871
5 Foreign currencies ⁴	38,294	30,809	36,001	31,566	32,105	32,378	32,236	32,182	30,941	30,406	31,535

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13, line 3. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S.

SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

3. Includes allocations of SDRs by the International Monetary Fund on Jan. 1 of the year indicated, as follows: 1970—\$867 million; 1971—\$717 million; 1972—\$710 million; 1979—\$1,139 million; 1980—\$1,152 million; 1981—\$1,093 million; plus net transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1996	1997	1998	1999					2000		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^P
1 Deposits	167	457	167	166	243	189	501	71	82	87	125
Held in custody											
2 U.S. Treasury securities ²	638,049	620,885	607,574	626,669	634,086	621,351	629,430	632,482	627,326	631,421	641,830
3 Earmarked gold ³	11,197	10,763	10,343	10,271	10,155	10,114	10,015	9,933	9,866	9,771	9,711

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities, in each case measured at face (not market) value.

3. Held in foreign and international accounts and valued at \$42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1997	1998	1999 ^f						2000
			July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Total ¹	776,505	759,928	773,497	782,490	778,640	782,865	779,191	805,939	803,786
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	135,384	125,883	125,873	126,220	124,148	124,523	122,505	138,572	130,065
3 U.S. Treasury bills and certificates ³	148,301	134,177	147,492	153,499	152,457	154,582	153,465	156,073	153,548
U.S. Treasury bonds and notes									
4 Marketable ⁴	428,004	432,127	420,197	422,591	420,877	419,629	417,304	422,266	429,029
5 Nonmarketable ⁴	5,994	6,074	6,022	6,060	6,098	6,139	6,177	6,111	6,152
6 U.S. securities other than U.S. Treasury securities ⁵	58,822	61,667	73,913	74,120	75,060	77,992	79,740	82,917	84,992
<i>By area</i>									
7 Europe ¹	252,289	256,026	240,546	243,334	241,233	243,412	242,587	244,802	241,577
8 Canada	36,177	36,715	39,147	39,342	39,337	39,682	39,081	38,666	39,439
9 Latin America and Caribbean	96,942	79,503	77,832	75,339	74,279	73,627	70,632	73,414	71,888
10 Asia	400,144	400,631	430,032	438,264	437,895	439,811	441,070	463,434	463,561
11 Africa	9,981	10,059	8,397	8,140	8,236	7,868	7,174	7,520	8,205
12 Other countries	7,058	3,080	3,629	4,157	3,746	4,551	4,733	4,189	5,202

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1988, 20-year maturity issue and beginning March 1990, 30-year maturity issue;

Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States¹

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1996	1997	1998	1999			
				Mar. ^f	June ^f	Sept. ^f	Dec.
1 Banks' liabilities	103,383	117,524	101,125	101,360	97,820	111,221	97,223
2 Banks' claims	66,018	83,038	78,162	80,640	67,946	79,418	79,155
3 Deposits	22,467	28,661	45,985	40,957	39,801	45,099	46,232
4 Other claims	43,551	54,377	32,177	39,683	28,145	34,319	32,923
5 Claims of banks' domestic customers ²	10,978	8,191	20,718	11,039	23,474	11,534	20,826

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	1997	1998	1999 ^f	1999						2000
				July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.^{g}
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,283,027	1,347,837	1,425,495	1,342,632	1,387,383	1,378,738	1,374,075	1,444,376 ^f	1,425,495	1,422,102
2 Banks' own liabilities	882,980	884,939	975,822	889,734	907,997	927,131	931,730	976,368 ^f	975,822	980,232
3 Demand deposits	31,344	29,558	42,917	43,183	44,940	44,594	39,451	42,889 ^f	42,917	36,580
4 Time deposits ²	198,546	151,761	167,253	156,294	154,433	156,352	162,273	166,483 ^f	167,253	164,416
5 Other ³	168,011	140,752	162,445	152,455	152,766	160,883	155,743	162,825 ^f	162,445	174,462
6 Own foreign offices ⁴	485,079	562,868	603,207	537,802	555,858	565,302	574,263	604,171 ^f	603,207	604,774
7 Banks' custodial liabilities ⁵	400,047	462,898	449,673	452,898	479,386	451,607	442,345	468,008 ^f	449,673	441,870
8 U.S. Treasury bills and certificates ⁶	193,239	183,494	185,677	187,872	192,096	189,030	188,486	184,675 ^f	185,677	181,819
9 Other negotiable and readily transferable instruments ⁷	93,641	141,699	132,575	123,813	133,789	131,726	131,464	131,859 ^f	132,575	128,899
10 Other	113,167	137,705	131,421	141,213	153,501	130,851	122,395	151,474 ^f	131,421	131,152
11 Nonmonetary international and regional organizations ⁸	11,690	11,883	14,902	18,463	18,268	18,646	17,893	14,043 ^f	14,902	20,949
12 Banks' own liabilities	11,486	10,850	13,983	16,964	16,856	17,726	17,052	13,156 ^f	13,983	20,093
13 Demand deposits	16	172	98	66	31	21	187	70 ^f	98	202
14 Time deposits ²	5,466	5,793	10,349	7,380	6,419	7,370	8,772	7,675 ^f	10,349	9,621
15 Other ³	6,004	4,885	3,536	9,518	10,406	10,335	8,093	5,411 ^f	3,536	10,270
16 Banks' custodial liabilities ⁵	204	1,033	919	1,499	1,412	920	841	887 ^f	919	856
17 U.S. Treasury bills and certificates ⁶	69	636	680	953	896	661	628	658 ^f	680	625
18 Other negotiable and readily transferable instruments ⁷	133	397	233	533	516	259	213	229 ^f	233	225
19 Other	2	0	6	13	0	0	0	0 ^f	6	6
20 Official institutions ⁹	283,685	260,060	294,645	273,365	279,719	276,605	279,105	275,970 ^f	294,645	283,613
21 Banks' own liabilities	102,028	80,256	97,373	80,400	77,801	76,780	79,376	80,029 ^f	97,373	82,435
22 Demand deposits	2,314	3,003	3,341	2,652	2,537	2,932	2,314	2,829 ^f	3,341	2,645
23 Time deposits ²	41,396	29,506	28,770	26,326	24,407	25,301	29,152	27,009 ^f	28,770	25,195
24 Other ³	58,318	47,747	65,262	51,422	50,857	48,547	47,910	50,191 ^f	65,262	54,595
25 Banks' custodial liabilities ⁵	181,657	179,804	197,272	192,965	201,918	199,825	199,729	195,941 ^f	197,272	201,178
26 U.S. Treasury bills and certificates ⁶	148,301	134,177	156,073	147,492	153,499	152,457	154,582	153,465 ^f	156,073	153,548
27 Other negotiable and readily transferable instruments ⁷	33,151	44,953	41,152	45,094	48,297	46,633	44,804	42,331 ^f	41,152	47,077
28 Other	205	674	47	379	122	735	343	145 ^f	47	553
29 Banks ¹⁰	815,247	885,336	914,005	853,461	888,409	877,973	874,089	945,756 ^f	914,005	915,848
30 Banks' own liabilities	641,447	676,057	729,472	656,476	677,012	692,332	698,212	739,976 ^f	729,472	736,959
31 Unaffiliated foreign banks	156,368	113,189	126,265	118,674	121,154	127,030	123,949	135,805 ^f	126,265	132,185
32 Demand deposits	16,767	14,071	17,583	14,086	15,436	14,084	17,111	14,402 ^f	17,583	12,955
33 Time deposits ²	83,433	45,904	48,273	49,523	49,623	49,655	48,693	54,388 ^f	48,273	51,183
34 Other ³	56,168	53,214	60,409	55,065	56,095	63,291	58,145	67,015 ^f	60,409	68,047
35 Own foreign offices ⁴	485,079	562,868	603,207	537,802	555,858	565,302	574,263	604,171 ^f	603,207	604,774
36 Banks' custodial liabilities ⁵	173,800	209,279	184,533	196,985	211,397	185,641	175,877	205,780 ^f	184,533	178,889
37 U.S. Treasury bills and certificates ⁶	31,915	35,359	16,927	28,284	26,314	24,749	22,203	19,512 ^f	16,927	17,582
38 Other negotiable and readily transferable instruments ⁷	35,393	45,332	45,695	37,663	41,541	40,370	41,529	44,889 ^f	45,695	40,393
39 Other	106,492	128,588	121,911	131,038	143,542	120,522	112,145	141,379 ^f	121,911	120,914
40 Other foreigners	172,405	190,558	201,943	197,343	200,987	205,514	202,988	208,607 ^f	201,943	201,692
41 Banks' own liabilities	128,019	117,776	134,994	135,894	136,328	140,293	137,090	143,207 ^f	134,994	140,745
42 Demand deposits	12,247	12,312	21,895	26,379	26,936	27,557	19,839	25,588 ^f	21,895	20,778
43 Time deposits ²	68,251	70,558	79,861	73,065	73,984	74,026	75,656	77,411 ^f	79,861	78,417
44 Other ³	47,521	34,906	33,238	36,450	35,408	38,710	41,595	40,208 ^f	33,238	41,550
45 Banks' custodial liabilities ⁵	44,386	72,782	66,949	61,449	64,659	65,221	65,898	65,400 ^f	66,949	60,947
46 U.S. Treasury bills and certificates ⁶	12,954	13,322	11,997	11,143	11,387	11,163	11,073	11,040 ^f	11,997	10,064
47 Other negotiable and readily transferable instruments ⁷	24,964	51,017	45,495	40,523	43,435	44,464	44,918	44,410 ^f	45,495	41,204
48 Other	6,468	8,443	9,457	9,783	9,837	9,594	9,907	9,950 ^f	9,457	9,679
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	16,083	27,026	30,345	21,811	22,565	24,367	26,550	28,320	30,345	28,344

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers.

6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

8. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.

9. Foreign central banks, foreign central governments, and the Bank for International Settlements.

10. Excludes central banks, which are included in "Official institutions."

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹—Continued

Item	1997	1998	1999 ²	1999						2000
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
AREA										
50 Total, all foreigners	1,283,027	1,347,837	1,425,495	1,342,632	1,387,383	1,378,738	1,374,075	1,444,376 ³	1,425,495	1,422,102
51 Foreign countries	1,271,337	1,335,954	1,410,593	1,324,169	1,369,115	1,360,092	1,356,182	1,430,333 ³	1,410,593	1,401,153
52 Europe	419,672	427,375	447,999	440,903	452,653	456,956	442,523	470,915 ⁴	447,999	449,106
53 Austria	2,717	3,178	2,789	2,770	3,210	3,205	3,299	2,842	2,789	2,675
54 Belgium and Luxembourg	41,007	42,818	44,692	33,913	36,668	36,890	38,590	41,331 ⁴	44,692	42,434
55 Denmark	1,514	1,437	2,196	1,143	1,811	1,903	2,658	3,197	2,196	2,510
56 Finland	2,246	1,862	1,658	1,358	1,335	1,222	1,269	1,894	1,658	1,290
57 France	46,607	44,616	49,790	42,622	42,424	45,809	45,764	50,262	49,790	48,530
58 Germany	23,737	21,357	24,748	23,950	23,719	24,485	25,479	26,537	24,748	25,279
59 Greece	1,552	2,066	3,748	3,168	3,121	3,358	3,322	3,365	3,748	3,118
60 Italy	11,378	7,103	6,775	6,426	5,832	6,231	6,306	5,264	6,775	6,259
61 Netherlands	7,385	10,793	8,310	12,206	11,292	11,634	13,882	12,775	8,310	7,266
62 Norway	317	710	1,327	1,184	1,333	1,225	951	1,364	1,327	834
63 Portugal	2,262	3,236	2,228	2,237	1,912	1,976	1,875	2,148	2,228	2,034
64 Russia	7,968	2,439	5,475	2,756	2,665	2,816	3,713	3,655	5,475	6,404
65 Spain	18,989	15,781	10,426	7,700	8,202	9,479	9,287	11,181	10,426	12,531
66 Sweden	1,628	3,027	4,652	3,851	3,779	4,571	5,381	5,518	4,652	4,673
67 Switzerland	39,023	50,654	65,985	60,758	76,176	69,338	65,967	67,027	65,985	68,718
68 Turkey	4,054	4,286	7,842	7,786	7,883	8,368	8,252	8,817 ⁴	7,842	6,897
69 United Kingdom	181,904	181,554	176,165	200,038	192,431	196,490	178,022	195,465	176,165	184,442
70 Yugoslavia ¹	239	233	286	289	270	266	267	267	286	273
71 Other Europe and other former U.S.S.R. ¹⁵	25,145	30,225	28,907	26,748	28,590	27,690	28,239	28,006	28,907	24,939
72 Canada	28,341	30,212	34,119	29,862	30,409	29,728	34,995	33,746	34,119	32,951
73 Latin America and Caribbean	536,393	554,866	590,004	554,419	581,419	570,309	573,215	616,376 ³	590,004	610,074
74 Argentina	20,199	19,014	18,529	17,205	17,064	15,547	17,546	15,042 ³	18,529	15,321
75 Bahamas	112,217	118,085	134,407	122,465	132,442	139,101	134,111	139,179	134,407	149,643
76 Bermuda	6,911	6,846	8,777	9,410	9,319	8,747	10,902	8,859	8,777	9,975
77 Brazil	31,037	15,815	12,860	15,413	15,423	16,241	13,253	14,184 ³	12,860	12,135
78 British West Indies	276,418	302,486	325,159	294,245	315,843	299,669	308,593	350,030 ³	325,159	331,243
79 Chile	4,072	5,015	7,008	6,744	5,805	6,601	6,559	6,521	7,008	6,363
80 Colombia	3,652	4,624	5,656	4,637	4,455	4,711	5,011	4,783	5,656	4,427
81 Cuba	66	62	75	70	72	76	72	73	75	75
82 Ecuador	2,078	1,572	1,956	1,975	1,724	1,792	1,833	1,930	1,956	1,969
83 Guatemala	1,494	1,336	1,621	1,425	1,521	1,471	1,484	1,577	1,621	1,619
84 Jamaica	450	577	520	471	533	550	549	546	520	540
85 Mexico	33,972	37,157	30,718	39,024	36,301	35,028	32,208	31,187	30,718	32,064
86 Netherlands Antilles	5,085	5,010	3,997	3,010	3,408	2,927	2,688	3,389	3,997	4,269
87 Panama	4,241	3,864	4,415	3,846	3,816	4,029	4,007	3,834	4,415	4,020
88 Peru	893	840	1,142	837	995	1,042	959	997	1,142	1,068
89 Uruguay	2,382	2,486	2,386	2,323	2,151	2,177	2,218	2,585 ³	2,386	2,257
90 Venezuela	21,601	19,894	20,189	20,437	19,797	19,451	19,914	20,311	20,189	21,397
91 Other	9,625	10,183	11,489	10,882	10,750	11,149	11,308	11,349 ³	11,489	11,689
92 Asia	269,379	307,960	319,350	283,218	288,982	287,227	287,963	292,078 ³	319,350	290,085
93 China										
94 Mainland	18,252	13,441	12,325	10,872	12,359	11,914	10,460	13,981	12,325	11,565
95 Taiwan	11,840	12,708	13,595	12,482	12,678	12,514	12,023	14,791	13,595	11,666
96 Hong Kong	17,722	20,900	27,697	24,200	24,149	23,368	24,299	22,276 ³	27,697	25,943
97 India	4,567	5,250	7,367	5,864	5,408	5,625	5,659	5,610	7,367	5,490
98 Indonesia	3,554	8,282	6,567	7,309	6,633	6,468	6,037	6,486	6,567	6,853
99 Israel	6,281	7,749	7,488	5,076	5,059	5,688	5,175	5,071	7,488	6,569
100 Japan	143,401	168,563	159,064	145,652	145,403	149,578	151,632	152,095	159,064	149,097
101 Korea (South)	13,060	12,524	12,840	12,792	12,723	11,903	9,935	8,474	12,840	11,215
102 Philippines	3,250	3,324	3,253	2,177	2,189	2,414	2,134	2,639	3,253	1,924
103 Thailand	6,501	7,359	6,050	6,054	5,809	5,281	4,983	5,164	6,050	5,399
104 Middle Eastern oil-exporting countries ¹⁴	14,959	15,609	21,280	15,581	15,942	14,367	16,825	17,944	21,280	16,901
105 Other	25,992	32,251	41,824	35,159	40,630	38,107	38,801	37,547	41,824	37,463
106 Africa	10,347	8,905	9,469	7,508	7,660	8,045	8,037	7,799	9,469	8,032
107 Egypt	1,663	1,339	2,022	1,566	1,851	1,852	1,364	1,846	2,022	1,613
108 Morocco	138	97	179	116	108	118	174	166	179	176
109 South Africa	2,158	1,522	1,495	1,049	885	753	828	957	1,495	651
110 Zaire	10	5	14	13	13	14	13	14	14	7
111 Oil-exporting countries ¹⁴	3,060	3,088	2,915	2,281	2,510	2,807	2,912	2,248 ³	2,915	2,953
112 Other	3,318	2,854	2,844	2,483	2,293	2,502	2,745	2,569 ³	2,844	2,632
113 Other	7,205	6,636	9,652	8,259	7,992	7,827	9,449	9,419	9,652	10,905
114 Australia	6,304	5,495	8,377	7,252	6,963	6,788	8,199	8,394	8,377	9,911
115 Other	901	1,141	1,275	1,007	1,029	1,039	1,250	1,025	1,275	994
116 Nonmonetary international and regional organizations	11,690	11,883	14,902	18,463	18,268	18,646	17,893	14,043	14,902	20,949
117 International ¹⁵	10,517	10,221	13,002	15,822	16,112	16,570	16,009	12,710	13,002	18,850
118 Latin American regional ¹⁶	424	594	650	819	725	662	960	345	650	1,128
119 Other regional ¹⁷	749	1,068	1,250	1,822	1,431	1,414	924	988	1,250	971

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

12. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

14. Comprises Algeria, Gabon, Libya, and Nigeria.

15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.

16. Principally the Inter-American Development Bank.

17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Area or country	1997	1998	1999 ^f	1999						2000
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Total, all foreigners	708,225	734,995	791,863	721,360	731,130	758,620	752,264	779,740 ^f	791,863	753,584
2 Foreign countries	705,762	731,378	787,718	716,953	727,974	755,030	746,974	774,075 ^f	787,718	748,685
3 Europe	199,880	233,321	313,490	293,100	305,205	316,152	293,602	313,288 ^f	313,490	305,878
4 Austria	1,354	1,043	2,643	3,855	3,080	2,335	2,751	2,407	2,643	3,030
5 Belgium and Luxembourg	6,641	7,187	10,112	9,224	7,478	7,239	9,624	9,332	10,112	8,825
6 Denmark	980	2,383	1,669	1,763	1,445	1,756	2,352	1,756	1,669	1,692
7 Finland	1,233	1,070	1,988	2,197	1,915	1,855	1,669	2,034	1,988	2,319
8 France	16,239	15,251	29,088	19,964	19,040	19,253	21,527	24,592 ^f	29,088	29,997
9 Germany	12,676	15,923	29,190	23,965	23,558	22,995	23,616	22,365	29,190	29,871
10 Greece	402	575	806	628	659	663	743	754	806	806
11 Italy	6,230	7,284	8,496	7,451	7,748	7,958	6,682	7,297	8,496	8,619
12 Netherlands	6,141	5,697	10,431	9,334	10,132	9,425	8,940	8,100 ^f	10,431	10,119
13 Norway	555	827	794	821	583	1,252	949	920	794	1,196
14 Portugal	777	669	1,571	1,056	1,222	1,342	1,691	1,430	1,571	1,307
15 Russia	1,248	789	713	831	782	814	871	711	713	701
16 Spain	2,942	5,735	3,796	4,606	3,700	5,104	4,073	4,641	3,796	4,581
17 Sweden	1,854	4,223	3,213	3,199	4,082	4,184	4,325	3,853	3,213	4,503
18 Switzerland	28,846	46,874	78,979	66,927	71,866	90,187	78,448	91,493 ^f	78,979	68,892
19 Turkey	1,558	1,982	2,617	2,221	2,270	2,385	2,394	2,491 ^f	2,617	2,668
20 United Kingdom	103,143	106,349	119,772	125,633	137,680	129,347	114,209	120,836 ^f	119,772	119,951
21 Yugoslavia ²	52	53	50	50	49	50	51	50	50	50
22 Other Europe and other former U.S.S.R. ³	7,009	9,407	7,562	9,375	7,919	8,008	8,687	8,226	7,562	6,751
23 Canada	27,189	47,037	37,127	31,957	32,109	37,197	35,903	37,060	37,127	36,353
24 Latin America and Caribbean	343,730	342,654	353,239	311,685	310,088	320,952	335,151	335,356 ^f	353,239	323,223
25 Argentina	8,924	9,552	10,167	10,479	10,253	10,293	10,153	10,034 ^f	10,167	9,951
26 Bahamas	89,379	96,455	99,324	77,049	77,674	85,386	87,085	87,177 ^f	99,324	78,641
27 Bermuda	8,782	5,011	8,007	7,813	9,747	8,481	9,887	9,449	8,007	10,129
28 Brazil	21,696	16,184	15,706	14,605	13,793	13,983	14,216	14,973 ^f	15,706	14,965
29 British West Indies	145,471	153,749	167,062	146,858	137,214	142,500	159,145	158,937 ^f	167,062	157,590
30 Chile	7,913	8,250	6,607	7,153	6,900	6,810	6,846	6,591	6,607	6,666
31 Colombia	6,945	6,507	4,527	5,587	5,040	4,818	4,800	4,745	4,527	4,347
32 Cuba	0	0	0	0	0	0	0	0	0	0
33 Ecuador	1,311	1,400	760	993	889	844	793	761 ^f	760	685
34 Guatemala	886	1,127	1,133	1,075	1,053	1,064	1,084	1,090	1,133	1,062
35 Jamaica	424	239	295	311	322	330	318	309 ^f	295	298
36 Mexico	19,428	21,212	17,835	18,978	17,819	18,255	17,800	17,924 ^f	17,835	17,614
37 Netherlands Antilles	17,838	6,779	5,962	5,101	14,032	13,298	7,497	8,078	5,962	6,194
38 Panama	4,364	3,584	3,387	3,064	2,898	2,941	2,917	3,050	3,387	3,051
39 Peru	3,491	3,275	2,529	2,710	2,515	2,533	2,442	2,507	2,529	2,458
40 Uruguay	629	1,126	801	1,101	1,041	945	778	775	801	709
41 Venezuela	2,129	3,089	3,494	3,501	3,460	3,325	4,103	3,587	3,494	3,518
42 Other	4,120	5,115	5,643	5,307	5,438	5,146	5,287	5,369 ^f	5,643	5,345
43 Asia	125,092	98,607	74,522	72,636	73,257	72,449	73,072	78,429 ^f	74,522	73,211
44 China										
45 Mainland	1,579	1,261	2,090	3,144	2,758	2,032	1,998	2,082	2,090	2,221
46 Taiwan	922	1,041	1,339	904	937	790	816	1,495	1,339	1,411
47 Hong Kong	13,991	9,080	5,706	5,333	4,969	5,224	4,740	6,010	5,706	5,055
48 India	2,200	1,440	1,738	1,708	1,728	1,736	1,856	1,972	1,738	1,616
49 Indonesia	2,651	1,942	1,776	1,791	1,711	1,689	1,636	1,681	1,776	1,711
50 Israel	768	1,166	1,875	1,433	1,669	951	857	1,053 ^f	1,875	1,853
51 Japan	59,549	46,713	28,611	25,900	26,226	27,978	28,339	30,280	28,611	28,612
52 Korea (South)	18,162	8,289	9,237	12,753	12,194	11,093	12,432	13,262 ^f	9,237	11,362
53 Philippines	1,689	1,465	1,410	1,380	1,279	1,491	1,562	990	1,410	1,088
54 Thailand	2,259	1,807	1,518	1,683	1,549	1,432	1,411	1,433	1,518	1,158
55 Middle Eastern oil-exporting countries ⁴	10,790	16,130	14,252	9,792	11,221	11,379	10,667	11,631	14,252	10,998
56 Other	10,532	8,273	4,970	6,815	7,016	6,654	6,758	6,540	4,970	6,126
56 Africa	3,530	3,122	2,274	2,499	2,178	2,293	2,299	2,473	2,274	2,754
57 Egypt	247	257	258	252	209	225	251	233	258	222
58 Morocco	511	372	352	431	444	437	439	354	352	299
59 South Africa	805	643	622	598	449	506	589	873	622	943
60 Zaire	0	0	24	0	0	0	0	9	24	0
61 Oil-exporting countries ⁵	1,212	936	276	297	280	323	253	275	276	462
62 Other	755	914	742	921	796	802	767	729	742	828
63 Other	6,341	6,637	7,066	5,076	5,137	5,987	6,947	7,469	7,066	7,266
64 Australia	5,300	6,173	6,785	4,811	4,907	5,770	6,696	7,272	6,785	7,055
65 Other	1,041	464	281	265	230	217	251	197	281	211
66 Nonmonetary international and regional organizations ⁶	2,463	3,617	4,145	4,407	3,156	3,590	5,290	5,665	4,145	4,899

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

3. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1997	1998	1999 ^f	1999						2000
				July	Aug.	Sept.	Oct.	Nov. ^f	Dec.	
1 Total	852,852	875,891	941,799	...	...	900,582	...	...	941,799	...
2 Banks' claims	708,225	734,995	791,863	721,360	731,130	758,620	752,264	779,740	791,863	753,584
3 Foreign public borrowers	20,581	23,542	34,792	38,471	35,701	35,002	40,948	39,910	34,792	41,624
4 Own foreign offices ²	431,685	484,535	527,956	461,013	457,994	488,355	487,578	511,658	527,956	489,836
5 Unaffiliated foreign banks	109,230	106,206	101,310	99,727	108,902	102,029	97,287	99,508	101,310	93,919
6 Deposits	30,995	27,230	34,320	24,804	23,708	24,407	24,868	27,835	34,320	24,227
7 Other	78,235	78,976	66,990	74,923	85,194	77,622	72,419	71,673	66,990	69,692
8 All other foreigners	146,729	120,712	127,805	122,149	128,533	133,234	126,451	128,664	127,805	128,205
9 Claims of banks' domestic customers ³	144,627	140,896	149,936	...	...	141,962	...	...	149,936	...
10 Deposits	73,110	79,363	86,293	...	...	87,222	...	...	86,293	...
11 Negotiable and readily transferable instruments ³	53,967	47,914	51,011	...	...	40,604	...	...	51,011	...
12 Outstanding collections and other claims	17,550	13,619	12,632	...	...	14,136	...	...	12,632	...
MEMO										
13 Customer liability on acceptances	9,624	4,520 ^f	4,672	...	...	4,620 ^f	...	...	4,672	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ³	33,816	39,978	34,789	32,857	32,336	27,750	33,847	37,163	34,789	45,963

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for quarter ending with month indicated.
Reporting banks include all types of depository institution as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists

principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit, bankers acceptances, and commercial paper.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1996	1997	1998	1999			
				Mar.	June ^f	Sept. ^f	Dec. ^p
1 Total	258,106	276,550	250,418	242,348 ^f	260,554	270,085	263,548
By borrower							
2 Maturity of one year or less	211,859	205,781	186,526	175,391 ^f	186,818	196,816	187,396
3 Foreign public borrowers	15,411	12,081	13,671	20,902	24,661	22,603	22,527
4 All other foreigners	196,448	193,700	172,855	154,489 ^f	162,157	174,213	164,869
5 Maturity of more than one year	46,247	70,769	63,892	66,957 ^f	73,736	73,269	76,152
6 Foreign public borrowers	6,790	8,499	9,839	13,290	11,677	12,193	12,043
7 All other foreigners	39,457	62,270	54,053	53,667 ^f	62,059	61,076	64,109
By area							
8 Maturity of one year or less							
9 Europe	55,690	58,294	68,679	66,875	84,723	82,567	80,967
10 Canada	8,339	9,917	10,968	7,832	6,705	8,545	7,860
11 Latin America and Caribbean	103,254	97,207	81,766	71,111 ^f	65,776	78,122	69,299
12 Asia	38,078	33,964	18,007	21,347	21,977	20,839	21,795
13 Africa	1,316	2,211	1,835	1,571	1,543	1,119	1,122
14 All other ³	5,182	4,188	5,271	6,655	6,094	5,624	6,353
Maturity of more than one year							
15 Europe	6,965	13,240	14,923	16,949	18,863	18,618	20,896
16 Canada	2,645	2,525	3,140	2,766	3,261	3,192	3,112
17 Latin America and Caribbean	24,943	42,049	33,442	33,538 ^f	38,193	38,091	38,558
18 Asia	9,392	10,235	10,018	10,972	10,471	10,649	10,888
19 Africa	1,361	1,236	1,232	1,160	1,105	1,087	1,065
20 All other ³	941	1,484	1,137	1,572	1,843	1,632	1,633

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

Area or country	1995	1996	1997	1998 ^f				1999			
			Dec.	Mar.	June	Sept.	Dec.	Mar. ^f	June ^f	Sept.	Dec. ^g
1 Total	556.4 ^f	645.8 ^f	721.8 ^f	1029.8	1017.2	1071.9	1051.6	992.7	938.5	936.9	934.4
2 G-10 countries and Switzerland	206.0	228.3	242.8	250.9	273.9	240.0	217.7	208.5	222.2	205.5	235.0
3 Belgium and Luxembourg	13.6	11.7	11.0	12.0	14.0	11.7	10.7	15.6	16.1	15.7	14.2
4 France	19.4	16.6	15.4	16.5	21.7	20.3	18.4	21.6	20.4	19.9	29.0
5 Germany	27.3	29.8	28.6	27.0	30.5	31.4	30.9	34.7	32.1	37.4	38.7
6 Italy	11.5	16.0	15.5	20.8	21.1	18.5	11.5	17.8	16.4	15.0	18.1
7 Netherlands	3.7	4.0	6.2	7.7	8.6	8.4	7.8	10.7	13.3	10.6	10.9
8 Sweden	2.7	2.6	3.3	4.8	3.1	2.1	2.3	4.0	2.6	3.6	2.9
9 Switzerland	6.7	5.3	7.2	5.9	7.0	7.6	8.5	7.8	8.2	8.8	10.1
10 United Kingdom	82.4	104.7	113.4	114.6	125.9	100.1	85.4	55.9	73.4	51.1	72.7
11 Canada	10.3	14.0	13.7	14.2	16.7	15.9	16.8	15.9	17.1	17.8	16.2
12 Japan	28.5	23.7	28.6	27.3	25.3	23.9	25.4	24.6	22.6	25.6	22.0
13 Other industrialized countries	51.9 ^f	66.1 ^f	65.5 ^f	78.2	78.7	78.5	69.0	80.1	79.7	71.7	68.1
14 Austria	.9	1.1	1.5	1.7	1.9	2.1	1.4	2.8	2.8	3.0	3.5
15 Denmark	2.6	1.5	2.4	2.1	2.2	3.0	2.2	3.4	2.9	2.1	2.6
16 Finland	.8	.8	1.3	1.5	1.4	1.6	1.4	1.5	.9	.9	.8
17 Greece	5.7	6.7	5.1	6.1	5.8	5.8	5.9	6.5	5.9	6.6	6.0
18 Norway	3.2	8.0	3.6	4.0	3.4	3.2	3.2	3.1	3.0	3.8	3.1
19 Portugal	1.3	.9	.9	.8	1.4	1.1	1.4	1.4	1.2	1.2	1.0
20 Spain	12.5 ^f	13.3 ^f	12.6 ^f	18.1	17.5	19.5	13.7	15.7	16.6	15.1	12.1
21 Turkey	1.9	2.7	4.5	4.9	6.5	5.2	4.8	5.2	4.9	4.7	4.8
22 Other Western Europe	4.8 ^f	4.9 ^f	8.3 ^f	10.2	9.9	10.4	10.4	10.2	10.2	9.2	6.8
23 South Africa	1.2	2.0	2.2	5.5	6.9	5.4	4.4	4.8	4.7	4.0	3.8
24 Australia	16.9 ^f	24.0	23.1	23.2	21.8	21.4	20.3	25.4	26.6	21.1	23.5
25 OPEC ²	22.1	19.8 ^f	26.0	26.0	25.5	26.0	27.1	26.2	26.1	30.1	31.4
26 Ecuador	.7	1.1	1.3	1.3	1.2	1.2	1.3	1.2	1.1	.9	.8
27 Venezuela	2.7	2.4	2.5	3.4	3.3	3.1	3.2	3.5	3.2	3.0	2.8
28 Indonesia	4.8	5.2	6.7	5.6	5.1	4.7	4.7	4.5	5.0	4.4	4.2
29 Middle East countries	13.3	10.7	14.4	14.4	15.6	16.1	17.0	16.7	16.5	21.4	23.0
30 African countries	.6	.4	1.2	1.4	.3	.8	1.0	.4	.4	.5	.5
31 Non-OPEC developing countries	112.9 ^f	130.3	139.2 ^f	149.8	146.1	140.4	143.4	146.7	148.6	142.5	147.2
Latin America											
32 Argentina	12.9	14.3	18.4	20.0	20.9	22.9	23.1	24.3	22.8	22.1	22.4
33 Brazil	13.7	20.7	28.6	33.4	30.3	24.0	24.7	24.2	25.1	22.1	26.4
34 Chile	6.8	7.0	8.7	9.0	9.1	8.5	8.3	8.6	8.2	7.7	7.4
35 Colombia	2.9	4.1	3.4	3.3	3.6	3.4	3.2	3.3	3.1	2.7	2.5
36 Mexico	17.3	16.2	17.4	17.8	18.1	18.7	18.9	19.7	18.5	19.4	18.6
37 Peru	.8	1.6	2.0	2.1	2.2	2.2	2.2	2.2	2.1	1.8	1.7
38 Other	2.8	3.3	4.1	4.0	4.4	4.6	5.4	5.3	5.5	5.5	5.9
Asia											
39 China											
40 Mainland	1.8	2.5	3.2	4.2	3.9	2.8	3.0	5.0	5.3	3.3	3.6
41 Taiwan	9.4	10.3	9.5 ^f	12.1	11.8	12.5	13.3	11.8	12.6	12.3	12.0
42 India	4.4	4.3	4.9	5.0	4.9	5.3	5.5	5.5	6.7	7.0	7.7
43 Israel	.5	.5	.7	.7	.9	.9	1.1	1.1	2.0	1.0	1.8
44 Korea (South)	19.1	21.5	15.6	16.2	14.6	13.1	13.7	13.7	15.3	16.0	15.0
45 Malaysia	4.4	6.0	5.1	4.5	4.7	5.0	5.6	5.9	6.0	6.1	6.1
46 Philippines	4.1	5.8	5.7	5.1	5.4	4.7	5.1	5.4	5.7	5.8	6.2
47 Thailand	5.2 ^f	5.7	5.4	5.5	5.0	5.3	4.7	4.5	4.2	4.0	4.1
48 Other Asia	4.5	4.1	4.3	4.2	3.7	3.1	2.9	3.0	2.8	2.8	2.9
Africa											
49 Egypt	.4	.7	.9	1.0	1.5	1.7	1.3	1.4	1.4	1.3	1.4
50 Morocco	.7	.7	.6	.6	.6	.5	.5	.5	.5	.5	.4
51 Zaire	.0	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0
52 Other Africa ³	.9	.9	.8	1.1	.8	1.1	1.0	1.2	1.0	1.0	1.0
53 Eastern Europe	4.2	6.9	9.1	12.3	11.3	6.3	5.5	7.1	5.8	5.4	5.2
54 Russia ⁴	1.0	3.7	5.1	7.5	6.9	2.8	2.2	2.3	2.1	2.0	1.6
55 Other	3.2	3.2	4.0	4.7	4.4	3.5	3.3	4.8	3.7	3.4	3.6
56 Offshore banking centers	102.2 ^f	135.1 ^f	140.2 ^f	133.1	130.0	121.0	93.9	93.6	75.9	90.3	60.0
57 Bahamas	12.9 ^f	20.5 ^f	24.2 ^f	32.6	28.6	30.7	35.4	32.6	20.4	29.4	13.9
58 Bermuda	6.3	4.5	9.8	9.1	9.4	10.4	4.6	3.9	5.7	8.2	8.0
59 Cayman Islands and other British West Indies	32.4	37.2	43.4	24.9	34.3	27.8	12.8	13.9	7.2	6.3	1.3
60 Netherlands Antilles	10.3	26.1	14.6	14.0	10.5	6.0	2.6	2.7	1.3	9.1	1.7
61 Panama ⁵	1.4	2.0	3.1	3.2	3.3	4.0	3.9	3.9	3.9	3.9	3.9
62 Lebanon	.1	.1	.1	.1	.1	.2	.1	.1	.1	.2	.1
63 Hong Kong, China	25.0	27.9	32.2	33.9	30.0	30.6	23.3	22.8	22.0	22.4	21.0
64 Singapore	13.7 ^f	16.7	12.7	15.0	13.6	11.1	11.1	13.5	15.2	10.6	10.0
65 Other ⁶	.1	.1	.1	.1	.2	.2	.2	.2	.1	.2	.1
66 Miscellaneous and unallocated ⁷	57.6	59.6	99.1	379.7	351.7	459.9	495.1	430.4	380.2	391.2	387.5

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates); and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of liability, and area or country	1995	1996	1997	1998			1999		
				June	Sept.	Dec.	Mar.	June	Sept.
1 Total	46,448	61,782	57,382	51,433	49,279	46,570	46,663	49,337	52,979 ^f
2 Payable in dollars	33,903	39,542	41,543	40,026	38,410	36,668	34,030	36,032	36,296 ^f
3 Payable in foreign currencies	12,545	22,240	15,839	11,407	10,869	9,902	12,633	13,305	16,683 ^f
By type									
4 Financial liabilities	24,241	33,049	26,877	22,322	19,331	19,255	22,458	25,058	27,422 ^f
5 Payable in dollars	12,903	11,913	12,630	11,988	9,812	10,371	11,225	13,205	12,231
6 Payable in foreign currencies	11,338	21,136	14,247	10,334	9,519	8,884	11,233	11,853	15,191 ^f
7 Commercial liabilities	22,207	28,733	30,505	29,111	29,948	27,315	24,205	24,279	25,557 ^f
8 Trade payables	11,013	12,720	10,904	9,537	10,276	10,978	9,999	10,935	12,651 ^f
9 Advance receipts and other liabilities	11,194	16,013	19,601	19,574	19,672	16,337	14,206	13,344	12,906
10 Payable in dollars	21,000	27,629	28,913	28,038	28,598	26,297	22,805	22,827	24,065 ^f
11 Payable in foreign currencies	1,207	1,104	1,592	1,073	1,350	1,018	1,400	1,452	1,492
By area or country									
Financial liabilities									
12 Europe	15,622	23,179	18,027	15,468	12,905	12,589	16,098	19,578	21,695
13 Belgium and Luxembourg	369	632	186	75	150	79	50	70	50
14 France	999	1,091	1,425	1,699	1,457	1,097	1,178	1,287	1,675
15 Germany	1,974	1,834	1,958	2,441	2,167	2,063	1,906	1,959	1,712
16 Netherlands	466	556	494	484	417	1,406	1,337	2,104	2,066
17 Switzerland	895	699	561	189	179	155	141	143	133
18 United Kingdom	10,138	17,161	11,667	8,765	6,610	5,980	9,729	13,097	15,096
19 Canada	632	1,401	2,374	539	389	693	781	320	344
20 Latin America and Caribbean	1,783	1,668	1,386	1,320	1,351	1,495	1,528	1,369	1,180
21 Bahamas	59	236	141	6	1	7	1	1	1
22 Bermuda	147	50	229	49	73	101	78	52	26
23 Brazil	57	78	143	76	154	152	137	131	122
24 British West Indies	866	1,030	604	845	834	957	1,064	944	786
25 Mexico	12	17	26	51	23	59	22	19	28
26 Venezuela	2	1	1	1	1	2	2	1	0
27 Asia	5,988	6,423	4,387	4,315	4,005	3,785	3,475	3,217	3,622 ^f
28 Japan	5,436	5,869	4,102	3,869	3,754	3,612	3,337	3,035	3,384 ^f
29 Middle Eastern oil-exporting countries ¹	27	25	27	0	0	0	1	2	3
30 Africa	150	38	60	29	31	28	31	29	31
31 Oil-exporting countries ²	122	0	0	0	0	0	2	0	0
32 All other ³	66	340	643	651	650	665	545	545	550
Commercial liabilities									
33 Europe	7,700	9,767	10,228	9,987	11,010	10,030	8,580	8,718	9,265 ^f
34 Belgium and Luxembourg	331	479	666	557	623	278	229	189	128
35 France	481	680	764	612	740	920	654	656	620 ^f
36 Germany	767	1,002	1,274	1,219	1,408	1,392	1,088	1,143	1,201
37 Netherlands	500	766	439	485	440	429	361	432	535
38 Switzerland	413	624	375	349	507	499	535	497	593
39 United Kingdom	3,568	4,303	4,086	3,743	4,286	3,697	3,008	2,959	3,175
40 Canada	1,040	1,090	1,175	1,206	1,504	1,390	1,597	1,670	1,753
41 Latin America and Caribbean	1,740	2,574	2,176	2,285	1,840	1,618	1,612	1,674	1,957 ^f
42 Bahamas	1	63	16	14	48	14	11	19	24
43 Bermuda	205	297	203	209	168	198	225	180	178
44 Brazil	98	196	220	246	256	152	107	112	120 ^f
45 British West Indies	56	14	12	27	5	10	7	5	39
46 Mexico	416	665	565	557	511	347	437	490	704
47 Venezuela	221	328	261	196	230	202	155	149	182
48 Asia	10,421	13,422	14,966	13,611	13,539	12,342	10,428	10,039	10,428 ^f
49 Japan	3,315	4,614	4,500	3,995	3,779	3,827	2,715	2,753	2,689
50 Middle Eastern oil-exporting countries ¹	1,912	2,168	3,111	3,194	3,582	2,852	2,479	2,209	2,618 ^f
51 Africa	619	1,040	874	921	810	794	727	832	959 ^f
52 Oil-exporting countries ²	254	532	408	354	372	393	377	392	584
53 Other ³	687	840	1,086	1,101	1,245	1,141	1,261	1,346	1,195

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of claim, and area or country	1995	1996	1997	1998			1999		
				June	Sept.	Dec.	Mar.	June	Sept.
1 Total	52,509	65,897	68,128	63,188	67,976	77,462	69,054 ^f	63,884 ^f	67,566 ^f
2 Payable in dollars	48,711	59,156	62,173	57,587	62,034	72,171	64,026 ^f	57,006 ^f	60,456 ^f
3 Payable in foreign currencies	3,798	6,741	5,955	5,601	5,942	5,291	5,028 ^f	6,878 ^f	7,110
By type									
4 Financial claims	27,398	37,523	36,959	32,341	37,262	46,260	38,217 ^f	31,957 ^f	33,877 ^f
5 Deposits	15,133	21,624	22,909	14,762	15,406	30,199	18,686	13,350	15,192 ^f
6 Payable in dollars	14,654	20,852	21,060	13,084	13,374	28,549	17,101	11,636	13,240 ^f
7 Payable in foreign currencies	479	772	1,849	1,678	2,032	1,650	1,585	1,714	1,952
8 Other financial claims	12,265	15,899	14,050	17,579	21,856	16,061	19,531 ^f	18,607 ^f	18,685 ^f
9 Payable in dollars	10,976	12,374	11,806	14,904	19,867	14,049	17,457 ^f	14,800 ^f	15,718 ^f
10 Payable in foreign currencies	1,289	3,525	2,244	2,675	1,989	2,012	2,074 ^f	3,807 ^f	2,967
11 Commercial claims	25,111	28,374	31,169	30,847	30,714	31,202	30,837	31,927	33,689 ^f
12 Trade receivables	22,998	25,751	27,536	26,764	26,330	27,202	26,724	27,791	29,397 ^f
13 Advance payments and other claims	2,113	2,623	3,633	4,083	4,384	4,000	4,113	4,136	4,292
14 Payable in dollars	23,081	25,930	29,307	29,599	28,793	29,573	29,468	30,570	31,498 ^f
15 Payable in foreign currencies	2,030	2,444	1,862	1,248	1,921	1,629	1,369	1,357	2,191
By area or country									
Financial claims									
16 Europe	7,609	11,085	14,999	14,091	14,473	12,294	12,881 ^f	13,978 ^f	13,878 ^f
17 Belgium and Luxembourg	193	185	406	518	496	661	469	457	574
18 France	803	694	1,015	796	1,140	864	913	1,368	1,212 ^f
19 Germany	436	276	427	290	359	304	302	367	549 ^f
20 Netherlands	517	493	677	975	867	875	993 ^f	997 ^f	1,067
21 Switzerland	498	474	434	403	409	414	530	504	559
22 United Kingdom	4,303	7,922	10,337	9,639	9,849	7,766	8,400 ^f	8,631 ^f	8,157 ^f
23 Canada	2,851	3,442	3,313	3,020	4,090	2,503	3,111	2,828	3,172 ^f
24 Latin America and Caribbean	14,500	20,032	15,543	11,967	15,758	27,714	18,825	11,486	12,749 ^f
25 Bahamas	1,965	1,553	2,308	1,306	2,105	403	666	467	755
26 Bermuda	81	140	108	48	63	39	41	39	524 ^f
27 Brazil	830	1,468	1,313	1,394	710	835	1,112	1,102	1,265
28 British West Indies	10,393	15,536	10,462	7,349	10,960	24,388	14,621	7,393	7,263 ^f
29 Mexico	554	457	537	1,089	1,122	1,245	1,583	1,702	1,701
30 Venezuela	32	31	36	57	50	55	72	71	47
31 Asia	1,579	2,221	2,133	2,376	2,121	3,027	2,648	2,801	3,205
32 Japan	871	1,035	823	886	928	1,194	942	949	1,250
33 Middle Eastern oil-exporting countries ¹	3	22	11	12	13	9	8	5	5
34 Africa	276	174	319	155	157	159	174	228	251
35 Oil-exporting countries ²	5	14	15	15	16	16	26	5	12
36 All other ³	583	569	652	732	663	563	578	636	622
Commercial claims									
37 Europe	9,824	10,443	12,120	12,882	13,029	13,246	12,782	12,961	14,367 ^f
38 Belgium and Luxembourg	231	226	328	216	219	238	281	286	289
39 France	1,830	1,644	1,796	1,955	2,098	2,171	2,173	2,094	2,375 ^f
40 Germany	1,070	1,337	1,614	1,757	1,502	1,822	1,599	1,660	1,944 ^f
41 Netherlands	452	562	597	492	463	467	415	389	617
42 Switzerland	520	642	554	418	546	483	367	385	714
43 United Kingdom	2,656	2,946	3,660	4,664	4,681	4,769	4,529	4,615	4,789
44 Canada	1,951	2,165	2,660	2,779	2,291	2,617	2,983	2,855	2,638
45 Latin America and Caribbean	4,364	5,276	5,750	6,082	5,773	6,296	5,930	6,278	5,879 ^f
46 Bahamas	30	35	27	12	39	24	10	21	29
47 Bermuda	272	275	244	359	173	536	500	583	549
48 Brazil	898	1,303	1,162	1,183	1,062	1,024	936	887	763 ^f
49 British West Indies	79	190	109	110	91	104	117	127	157
50 Mexico	993	1,128	1,392	1,462	1,356	1,545	1,431	1,478	1,613
51 Venezuela	285	357	576	585	566	401	361	384	365
52 Asia	7,312	8,376	8,713	7,367	7,190	7,192	7,080	7,690	8,579 ^f
53 Japan	1,870	2,003	1,976	1,757	1,789	1,681	1,486	1,511	1,823
54 Middle Eastern oil-exporting countries ¹	974	971	1,107	1,127	967	1,135	1,286	1,465	1,479 ^f
55 Africa	654	746	680	657	740	711	685	738	682 ^f
56 Oil-exporting countries ²	87	166	119	116	128	165	116	202	221
57 Other ³	1,006	1,368	1,246	1,080	1,691	1,140	1,377	1,405	1,544

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	1998	1999	2000	1999						2000	
			Jan. - Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^P	
			U.S. corporate securities								
STOCKS											
1 Foreign purchases	1,574,192	2,340,659	263,990	187,705	178,051	175,193	218,983	240,329	256,414	263,990	
2 Foreign sales	1,524,203	2,233,137	253,447	179,386	165,889	171,908	211,213	221,911	247,460	253,447	
3 Net purchases, or sales (-)	49,989	107,522	10,543	8,319	12,162	3,285	7,770	18,418	8,954	10,543	
4 Foreign countries	50,369	107,578	10,501	8,364	12,179	3,282	7,796	18,393	8,983	10,501	
5 Europe	68,124	98,060	15,702	6,183	9,511	7,196	7,760	10,695	13,283	15,702	
6 France	5,672	3,813	-233	-57	254	91	1,020	-369	66	-233	
7 Germany	9,195	13,410	5,622	-334	1,309	114	1,719	2,467	1,587	5,622	
8 Netherlands	8,249	8,083	-263	403	564	-539	159	1,375	1,640	-263	
9 Switzerland	5,001	5,650	2,917	-2,809	814	1,194	-1,418	384	1,495	2,917	
10 United Kingdom	23,952	42,902	2,247	8,491	4,560	4,786	3,836	3,966	3,080	2,247	
11 Canada	-4,689	-335	613	143	-7	-931	543	-958	-940	613	
12 Latin America and Caribbean	757	5,187	-4,855	2,933	841	-4,693	-3,162	7,746	-4,735	-4,855	
13 Middle East ¹	-1,449	-1,068	677	-273	170	-25	-14	-1,197	465	677	
14 Other Asia	-12,351	4,447	-1,965	-670	1,643	1,438	2,386	2,350	752	-1,965	
15 Japan	-1,171	5,723	-1,923	-452	1,269	2,652	1,695	630	211	-1,923	
16 Africa	639	372	151	14	-39	61	-23	1	-18	151	
17 Other countries	-662	915	178	34	60	236	306	-244	176	178	
18 Nonmonetary international and regional organizations	-380	-56	42	-45	-17	3	-26	25	-29	42	
BONDS ²											
19 Foreign purchases	905,782	856,429 ^f	78,539	76,427	65,007	76,263	80,926	74,940	56,928 ^f	78,539	
20 Foreign sales	727,044	602,109	59,066	47,982	46,661	48,902	55,120	50,839	41,321	59,066	
21 Net purchases, or sales (-)	178,738	254,320 ^f	19,473	28,445	18,346	27,361	25,806	24,101	15,607 ^f	19,473	
22 Foreign countries	179,081	254,722 ^f	19,478	28,171	18,373	27,030	26,670	24,172	15,626 ^f	19,478	
23 Europe	130,057	140,299 ^f	9,783	18,194	11,105	13,719	14,376	11,639	7,500 ^f	9,783	
24 France	3,386	1,870	-114	447	160	24	52	53	269	-114	
25 Germany	4,369	7,723	-618	1,707	31	752	1,203	1,327	-228	-618	
26 Netherlands	3,443	2,446	-23	336	144	279	103	133	183	-23	
27 Switzerland	4,826	4,553	-47	705	322	496	360	429	462	-47	
28 United Kingdom	99,637	105,969 ^f	10,024	13,580	8,643	9,761	10,668	9,241	6,040 ^f	10,024	
29 Canada	6,121	6,043	2,133	-22	286	908	271	1,506	961	2,133	
30 Latin America and Caribbean	23,938	60,861	4,655	5,076	5,561	5,488	6,396	6,652	4,094	4,655	
31 Middle East ¹	4,997	1,979	-86	-182	-219	257	178	-506	309	-86	
32 Other Asia	12,662	42,842	2,243	4,695	1,179	6,698	4,847	4,566	2,591	2,243	
33 Japan	8,384	17,541	733	3,684	827	4,375	2,081	2,297	1,437	733	
34 Africa	190	1,411	677	122	59	-189	343	146	257	677	
35 Other countries	1,116	1,287	73	288	402	149	259	169	-86	73	
36 Nonmonetary international and regional organizations	-343	-402	-5	274	-27	331	-864	-71	-19	-5	
			Foreign securities								
37 Stocks, net purchases, or sales (-)	6,227	15,643	1,095	-2,198	598	825	-8,206	3,816	-1,504	1,095	
38 Foreign purchases	929,923	1,177,304	134,790	106,244	91,801	97,384	96,523	129,534	125,954	134,790	
39 Foreign sales	923,696	1,161,661	133,695	108,442	91,203	96,559	104,729	125,718	127,458	133,695	
40 Bonds, net purchases, or sales (-)	-17,350	-5,676	-3,523	-4,777	-6,421	1,132	-1,320	-512	3,872	-3,523	
41 Foreign purchases	1,328,281	798,267	62,161	63,975	70,061	66,661	62,533	59,650	52,227	62,161	
42 Foreign sales	1,345,631	803,943	65,684	68,752	76,482	65,529	63,853	60,162	48,355	65,684	
43 Net purchases, or sales (-), of stocks and bonds	-11,123	9,967	-2,428	-6,975	-5,823	1,957	-9,526	3,304	2,368	-2,428	
44 Foreign countries	-10,778	9,682	-2,588	-7,066	-6,006	2,027	-9,532	3,496	2,210	-2,588	
45 Europe	12,632	59,247	741	-3,747	-1,814	2,224	2,202	2,238	5,001	741	
46 Canada	-1,901	-999	-471	-1,038	528	301	315	-1,671	1,342	-471	
47 Latin America and Caribbean	-13,798	-4,726	-4,868	453	-312	581	-1,950	6,403	524	-4,868	
48 Asia	-3,992	-42,961	1,963	-3,329	-4,304	-429	-9,603	-4,048	-4,945	1,963	
49 Japan	-1,742	-43,637	866	-4,323	-4,805	-565	-10,006	-4,453	-3,596	866	
50 Africa	-1,225	713	99	-21	4	-116	63	160	535	99	
51 Other countries	-2,494	-1,592	-52	616	-108	-534	-559	414	-247	-52	
52 Nonmonetary international and regional organizations	-345	285	160	91	183	-70	6	-192	158	160	

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (—) during period

Area or country	1998	1999	2000	1999						2000
			Jan. — Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^P
1 Total estimated	49,039	-9,953	8,116	-6,236	19,118	90	-9,733	-3,615	4,642	8,116
2 Foreign countries	46,570	-10,518	8,151	-6,220	18,847	-1	-9,904	-3,802	4,566	8,151
3 Europe	23,797	-38,228	-974	-5,739	1,771	-9,265	-405	8,643	-5,533	-974
4 Belgium and Luxembourg	3,805	-81	731	37	105	12	-351	-357	-798	731
5 Germany	144	2,285	1,706	643	1,438	-963	78	510	607	1,706
6 Netherlands	-5,533	2,122	806	-1,224	453	-423	130	360	268	806
7 Sweden	1,486	1,699	499	-229	876	-45	-6	369	317	499
8 Switzerland	5,240	-1,761	-3,407	-215	-714	237	365	144	1,403	-3,407
9 United Kingdom	14,384	-20,232	-1,638	1,385	1,934	-3,534	-1,854	5,837	-3,481	-1,638
10 Other Europe and former U.S.S.R.	4,271	-22,260	329	-6,136	-2,321	-4,549	1,233	1,780	-3,849	329
11 Canada	615	7,348	-582	1,382	1,339	1,459	-656	-550	218	-582
12 Latin America and Caribbean	-3,662	-7,523	-2,409	698	8,695	3,003	-9,911	-5,417	806	-2,409
13 Venezuela	59	362	54	131	15	10	25	154	-33	54
14 Other Latin America and Caribbean	9,523	1,661	-3,837	-38	1,650	2,982	-1,777	1,362	576	-3,837
15 Netherlands Antilles	-13,244	-9,546	1,374	605	7,030	11	-8,159	-6,933	263	1,374
16 Asia	27,433	29,359	12,164	-2,319	6,832	5,344	942	-6,630	9,718	12,164
17 Japan	13,048	20,102	1,058	-394	2,913	5,259	344	-4,378	8,263	1,058
18 Africa	751	-3,021	-43	-178	-622	-302	-202	-680	-541	-43
19 Other	-2,364	1,547	-5	-64	832	-240	328	832	-102	-5
20 Nonmonetary international and regional organizations	2,469	565	-35	-16	271	91	171	187	76	-35
21 International	1,502	190	-7	-101	233	98	184	125	75	-7
22 Latin American regional	199	666	0	191	175	-9	-1	-4	1	0
MEMO										
23 Foreign countries	46,570	-10,518	8,151	-6,220	18,847	-1	-9,904	-3,802	4,566	8,151
24 Official institutions	4,123	-9,861	6,763	-1,773	2,394	-1,714	-1,248	-2,325	4,962	6,763
25 Other foreign	42,447	-657	1,388	-4,447	16,453	1,713	-8,656	-1,477	-396	1,388
Oil-exporting countries										
26 Middle East ²	-16,554	2,207	2,913	-38	130	401	201	-2,050	-3,556	2,913
27 Africa ³	2	0	0	0	1	0	0	0	-1	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	1997	1998	1999	1999			2000		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Exchange Rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	74.37	62.91	64.54	65.09	63.88	64.10	65.60	62.78	60.94
2 Austria/schilling	12.06	12.379	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	35.81	36.31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.0779	1.1605	1.8207	1.9688	1.9314	1.8442	1.8057	1.7765	1.7424
5 Canada/dollar	1.3849	1.4836	1.4858	1.4776	1.4674	1.4722	1.4486	1.4512	1.4608
6 China, P.R./yuan	8.3193	8.3008	8.2781	8.2775	8.2782	8.2794	8.2792	8.2781	8.2786
7 Denmark/krone	6.6092	6.7030	6.9900	6.9450	7.2019	7.3597	7.3492	7.5725	7.7228
8 European Monetary Union/euro ³	n.a.	n.a.	1.0653	1.0706	1.0328	1.0110	1.0131	0.9834	0.9643
9 Finland/markka	5.1956	5.3473	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	5.8393	5.8995	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	1.7348	1.7597	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	273.28	295.70	306.30	307.71	318.24	326.19	326.86	338.87	346.33
13 Hong Kong/dollar	7.7431	7.7467	7.7594	7.7696	7.7718	7.7728	7.7791	7.7816	7.7848
14 India/rupee	36.36	41.36	43.13	43.55	43.46	43.52	43.59	43.65	43.64
15 Ireland/pound ⁴	151.63	142.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1,703.81	1,736.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	121.06	130.99	113.73	105.97	104.65	102.58	105.30	109.39	106.31
18 Malaysia/tinggit	2.8173	3.9254	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
19 Mexico/peso	7.918	9.152	9.553	9.575	9.416	9.427	9.494	9.427	9.289
20 Netherlands/guilder	1.9525	1.9837	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar ⁵	66.25	53.61	52.94	51.42	51.22	50.87	51.27	49.03	49.02
22 Norway/krone	7.0857	7.5521	7.8071	7.7402	7.9367	8.0113	8.0241	8.2374	8.4100
23 Portugal/escudo	175.44	180.25	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.4857	1.6722	1.6951	1.6757	1.6699	1.6745	1.6757	1.7028	1.7153
25 South Africa/rand	4.6072	5.5417	6.1191	6.1029	6.1424	6.1503	6.1309	6.3209	6.4675
26 South Korea/won	947.65	1,400.40	1,189.84	1,205.29	1,176.98	1,136.80	1,130.99	1,129.75	1,116.39
27 Spain/peseta	146.53	149.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	59.026	65.006	70.868	71.747	72.040	72.018	73.140	73.552	73.810
29 Sweden/krona	7.6446	7.9522	8.2740	8.1492	8.3586	8.4910	8.4918	8.6480	8.6971
30 Switzerland/franc	1.4514	1.4506	1.5045	1.4896	1.5543	1.5841	1.5903	1.6348	1.6636
31 Taiwan/dollar	28.775	33.547	32.322	31.828	31.794	31.625	30.890	30.806	30.724
32 Thailand/baht	31.072	41.262	37.887	39.416	38.749	38.227	37.380	37.759	37.923
33 United Kingdom/pound ⁶	163.76	165.73	161.72	165.72	162.05	161.32	164.04	160.00	157.99
34 Venezuela/bolivar	488.39	548.39	606.82	630.75	634.80	644.28	652.81	659.44	666.82
Indexes ⁴									
NOMINAL									
35 Broad (January 1997=100) ⁵	104.44	116.48	116.87	115.88	116.08	116.09	115.95	117.44	117.44
36 Major currencies (March 1973=100) ⁶	91.24	95.79	94.07	91.94	92.87	93.23	93.14	95.31	95.64
37 Other important trading partners (January 1997=100) ⁷	104.67	126.03	129.94	131.06	129.93	129.34	129.14	129.11	128.54
REAL									
38 Broad (March 1973=100) ⁵	91.33 ^f	99.36 ^f	98.75 ^f	98.02 ^f	98.20	98.14	98.09 ^f	99.33 ^f	100.11
39 Major currencies (March 1973=100) ⁶	92.25	97.25	96.74	95.01	96.12	96.42	96.64 ^f	99.06 ^f	99.98
40 Other important trading partners (March 1973=100) ⁷	95.87 ^f	108.52 ^f	107.74 ^f	108.38 ^f	107.23	106.65 ^f	106.24 ^f	105.95 ^f	106.58

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G-5 (405) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. As of January 1999, the euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. These currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals

13.7603	Austrian schillings	1936.27	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds		

4. The December 1999 Bulletin contains revised index values resulting from the annual revision to the trade weights. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest Bulletin Reference

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	December 1999	A72

SPECIAL TABLES—Data Published Irregularly, with Latest Bulletin Reference

<i>Title and Date</i>	<i>Issue</i>	<i>Page</i>
<i>Assets and liabilities of commercial banks</i>		
March 31, 1999	August 1999	A64
June 30, 1999	November 1999	A64
September 30, 1999	February 2000	A64
December 31, 1999	May 2000	A64
<i>Terms of lending at commercial banks</i>		
May 1999	August 1999	A66
August 1999	November 1999	A66
November 1999	February 2000	A66
February 2000	May 2000	A66
<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
March 31, 1999	August 1999	A72
June 30, 1999	November 1999	A72
September 30, 1999	February 2000	A72
December 31, 1999	May 2000	A72
<i>Pro forma balance sheet and income statements for priced service operations</i>		
March 31, 1999	July 1999	A64
June 30, 1999	October 1999	A64
September 30, 1999	January 2000	A64
<i>Residential lending reported under the Home Mortgage Disclosure Act</i>		
1997	September 1998	A64
1998	September 1999	A64
<i>Disposition of applications for private mortgage insurance</i>		
1997	September 1998	A72
1998	September 1999	A73
<i>Small loans to businesses and farms</i>		
1997	September 1998	A76
1998	September 1999	A76
<i>Community development lending reported under the Community Reinvestment Act</i>		
1997	September 1998	A79
1998	September 1999	A79

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities Consolidated Report of Condition, December 31, 1999

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²	
			Total	Domestic	Over 100	Under 100
1 Total assets³	5,668,287	4,947,888	3,907,522	3,187,123	1,477,819	282,946
2 Cash and balances due from depository institutions	363,785	249,631	284,021	169,868	64,320	15,444
3 Cash items in process of collection, unposted debits, and currency and coin		↑	122,565	119,698	37,836	↑
4 Cash items in process of collection and unposted debits		n.a.	n.a.	76,222	16,260	n.a.
5 Currency and coin		n.a.	n.a.	43,475	21,576	n.a.
6 Balances due from depository institutions in the United States	n.a.	↓	34,325	25,210	18,737	↓
7 Balances due from banks in foreign countries and foreign central banks			109,566	7,628	971	
8 Balances due from Federal Reserve Banks			17,565	17,332	6,776	
MEMO						
9 Non-interest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)		30,950	n.a.	12,123	14,008	4,819
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,028,372	↑	597,306	↑	357,516	73,550
11 U.S. Treasury securities	110,536		73,500		29,417	7,619
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	199,332		64,099		99,951	35,282
13 Issued by U.S. government agencies	4,627		2,067		1,829	731
14 Issued by U.S. government-sponsored agencies	194,705		62,032		98,122	34,552
15 Securities issued by states and political subdivisions in the United States	88,802		28,251		47,710	12,841
16 General obligations	64,824		19,540		36,051	9,234
17 Revenue obligations	23,314		8,262		11,490	3,562
18 Industrial development and similar obligations	449		449		169	45
19 Mortgage-backed securities (MBS)	448,873		294,009		140,938	13,925
20 Pass-through securities	282,057		191,456		81,261	9,340
21 Guaranteed by GNMA	117,071	n.a.	44,250	n.a.	27,010	3,494
22 Issued by FNMA and FHLMC	204,164		145,775		52,571	5,818
23 Privately issued	3,140		1,431		1,680	29
24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	166,815		102,553		59,677	4,585
25 Issued or guaranteed by FNMA, FHLMC or GNMA	117,071		69,876		43,077	4,118
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,316		2,235		897	184
27 All other mortgage-backed securities	46,429		30,443		15,703	282
28 Other debt securities	144,182		112,998		28,892	2,292
29 Other domestic debt securities	n.a.		53,737		28,539	n.a.
30 Foreign debt securities	n.a.		59,261		353	n.a.
31 Equity securities	36,648		24,449		10,609	1,591
32 Investments in mutual funds and other equity securities with readily determinable fair value	11,563		8,224		2,760	579
33 All other equity securities	25,085	↓	16,225	↓	7,849	1,012
34 Federal funds sold and securities purchased under agreements to resell	225,534	185,433	174,152	134,051	40,127	11,255
35 Total loans and lease-financing receivables, gross	3,454,774	3,174,021	2,329,042	2,048,290	952,282	173,449
36 LESS: Unearned income on loans	3,363	2,647	1,766	1,050	1,241	357
37 Total loans and leases (net of unearned income)	3,451,411	3,171,374	2,327,276	2,047,240	951,042	173,093
38 LESS: Allowance for loan and lease losses	57,465	n.a.	39,152	n.a.	15,743	2,570
39 LESS: Allocated transfer risk reserves	126	n.a.	125	n.a.	1	1
40 EQUALS: Total loans and leases, net	3,393,820	n.a.	2,288,000	n.a.	935,298	170,521
Total loans and leases, gross, by category						
41 Loans secured by real estate	1,497,156	1,464,622	865,753	833,219	531,857	99,546
42 Construction and land development	↑	134,135	↑	70,002	55,556	8,577
43 Farmland		31,839		5,807	14,569	11,464
44 One- to four-family residential properties		831,426		526,014	257,320	48,092
45 Revolving, open-end loans, extended under lines of credit	n.a.	102,302	n.a.	72,424	27,396	2,481
46 All other loans		729,125		453,590	229,924	45,612
47 Multifamily (five or more) residential properties		52,911		29,869	20,809	2,233
48 Nonfarm nonresidential properties		414,310		201,527	183,604	29,180
49 Loans to depository institutions	98,521	82,196	95,056	78,731	3,370	95
50 Commercial banks in the United States	n.a.	n.a.	70,717	70,429	2,992	n.a.
51 Other depository institutions in the United States	n.a.	n.a.	4,480	4,459	189	n.a.
52 Banks in foreign countries	n.a.	n.a.	19,859	3,842	189	n.a.
53 Loans to finance agricultural production and other loans to farmers	45,032	44,202	11,215	10,385	17,414	16,403
54 Commercial and industrial loans	964,892	810,254	762,606	607,967	172,216	30,070
55 U.S. addressees (domicile)	n.a.	n.a.	620,154	599,794	171,416	n.a.
56 Non-U.S. addressees (domicile)	n.a.	n.a.	142,452	8,174	800	n.a.
57 Acceptances of other banks	1,250	694	1,168	613	68	13
58 U.S. banks	n.a.	n.a.	326	322	n.a.	n.a.
59 Foreign banks	n.a.	n.a.	842	290	n.a.	n.a.
60 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	541,293	499,662	314,013	272,382	202,274	25,006
61 Credit cards and related plans	199,656	n.a.	114,763	n.a.	81,948	2,945
62 Other (includes single payment and installment)	341,637	n.a.	199,250	n.a.	120,326	22,061
63 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	19,579	19,574	12,396	12,390	6,360	824
64 All other loans	135,595	106,875	126,555	97,835	8,195	845
65 Loans to foreign governments and official institutions	n.a.	n.a.	8,492	1,649	15	n.a.
66 Other loans	n.a.	n.a.	118,062	96,186	8,180	n.a.
67 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	18,703	1,875	n.a.
68 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	77,483	6,305	n.a.
69 Lease-financing receivables	151,456	145,942	140,282	134,768	10,528	646
70 Assets held in trading accounts	257,208	↑	256,541	↑	648	1
71 Premises and fixed assets (including capitalized leases)	72,973		44,959		22,477	5,537
72 Other real estate owned	3,040	n.a.	1,590	n.a.	1,130	320
73 Investments in unconsolidated subsidiaries and associated companies	8,891	↓	8,412	↓	403	75
74 Customers' liability on acceptances outstanding	8,923		8,686		232	5
75 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	18,927	n.a.	18,927	n.a.	n.a.
76 Intangible assets	94,778	n.a.	79,481	n.a.	14,439	858
77 All other assets	210,963	n.a.	164,372	n.a.	41,230	5,362

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities—Continued Consolidated Report of Condition, December 31, 1999

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²	
			Total	Domestic	Over 100	Under 100
78 Total liabilities, limited-life preferred stock, and equity capital	5,668,287	n.a.	3,907,522	n.a.	1,477,819	282,946
79 Total liabilities	5,197,743	4,477,345	3,598,507	2,878,108	1,345,499	253,738
80 Total deposits	3,802,488	3,147,113	2,491,757	1,836,382	1,070,445	240,286
81 Individuals, partnerships, and corporations	3,389,214	2,922,278	2,180,449	1,713,513	991,989	216,777
82 U.S. government	n.a.	7,487	n.a.	6,538	803	146
83 States and political subdivisions in the United States	n.a.	150,457	n.a.	70,071	61,314	19,073
84 Commercial banks in the United States	78,761	30,266	71,200	22,705	6,380	1,182
85 Other depository institutions in the United States	n.a.	9,132	n.a.	4,290	3,376	1,467
86 Foreign banks, governments, and official institutions	142,136	10,897	141,702	10,463	414	20
87 Banks	n.a.	n.a.	98,961	9,384	411	n.a.
88 Governments and official institutions	n.a.	n.a.	42,742	1,079	3	n.a.
89 Certified and official checks	17,712	16,595	9,919	8,802	6,171	1,622
90 Total transaction accounts	↑	679,329	↑	381,563	229,303	68,463
91 Individuals, partnerships, and corporations	↑	578,521	↑	319,989	199,105	59,427
92 U.S. government	↑	2,101	↑	1,615	416	70
93 States and political subdivisions in the United States	↑	46,716	↑	21,535	18,247	6,934
94 Commercial banks in the United States	↑	23,868	↑	13,861	4,275	309
95 Other depository institutions in the United States	↑	3,299	↑	2,518	700	81
96 Foreign banks, governments, and official institutions	↑	8,230	↑	7,820	390	19
97 Banks	↑	n.a.	↑	7,103	388	n.a.
98 Governments and official institutions	↑	n.a.	↑	717	3	n.a.
99 Certified and official checks	↑	16,595	↑	8,802	6,171	1,622
100 Demand deposits (included in total transaction accounts)	↑	519,861	↑	332,642	151,406	35,812
101 Individuals, partnerships, and corporations	↑	445,588	↑	278,920	134,221	32,448
102 U.S. government	↑	1,856	↑	1,442	357	58
103 States and political subdivisions in the United States	↑	20,453	↑	13,861	5,313	1,279
104 Commercial banks in the United States	n.a.	23,863	n.a.	19,283	4,271	308
105 Other depository institutions in the United States	↑	3,280	↑	2,518	683	79
106 Foreign banks, governments, and official institutions	↑	8,226	↑	7,818	390	18
107 Banks	↑	n.a.	↑	7,103	388	n.a.
108 Governments and official institutions	↑	n.a.	↑	715	3	n.a.
109 Certified and official checks	↑	16,595	↑	8,802	6,171	1,622
110 Total nontransaction accounts	↓	2,467,784	↓	1,454,819	841,142	171,823
111 Individuals, partnerships, and corporations	↓	2,343,758	↓	1,393,524	792,884	157,350
112 U.S. government	↓	5,386	↓	4,923	387	76
113 States and political subdivisions in the United States	↓	103,741	↓	48,536	43,066	12,139
114 Commercial banks in the United States	↓	6,398	↓	3,420	2,105	873
115 Other depository institutions in the United States	↓	5,833	↓	1,772	2,676	1,385
116 Foreign banks, governments, and official institutions	↓	2,668	↓	2,644	24	0
117 Banks	↓	n.a.	↓	2,282	23	n.a.
118 Governments and official institutions	↓	n.a.	↓	362	1	n.a.
119 Federal funds purchased and securities sold under agreements to repurchase	436,955	415,719	342,515	321,279	90,640	3,801
120 Demand notes issued to the U.S. Treasury	47,461	47,461	42,805	42,805	4,517	139
121 Trading liabilities	186,871	n.a.	186,783	n.a.	88	1
122 Other borrowed money	489,222	452,302	331,610	294,691	150,546	7,065
123 Banks' liability on acceptances executed and outstanding	9,016	6,596	8,779	6,359	232	5
124 Notes and debentures subordinated to deposits	75,808	n.a.	71,091	n.a.	4,694	23
125 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	143,854	n.a.	143,854	n.a.	n.a.
126 All other liabilities	149,922	n.a.	123,168	n.a.	24,337	2,418
127 Total equity capital	470,544	n.a.	309,015	n.a.	132,320	29,208
MEMO						
128 Trading assets at large banks ⁴	256,928	105,507	256,431	105,010	498	↑
129 U.S. Treasury securities (domestic offices)	↑	13,384	↑	13,374	10	↑
130 U.S. government agency corporation obligations	↑	4,184	↑	4,051	133	↑
131 Securities issued by states and political subdivisions in the United States	n.a.	750	n.a.	696	53	↑
132 Mortgage-backed securities	↓	4,865	↓	4,774	91	n.a.
133 Other debt securities	↓	11,044	↓	11,042	2	↓
134 Other trading assets	↓	10,882	↓	10,758	123	↓
135 Trading assets in foreign banks	151,421	0	151,421	0	0	↓
136 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	60,400	60,400	60,313	60,313	86	↓
137 Total individual retirement (IRA) and Keogh plan accounts	↑	148,124	↑	78,687	57,271	12,166
138 Total brokered deposits	↑	95,547	↑	58,969	32,650	3,928
139 Fully insured brokered deposits	↑	68,038	↑	34,235	30,048	3,755
140 Issued in denominations of less than \$100,000	↑	12,155	↑	4,898	5,998	1,259
141 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	55,883	n.a.	29,337	24,050	2,496
142 Money market deposit accounts (MMDAs)	↑	835,791	↑	582,061	225,978	27,751
143 Other savings deposits (excluding MMDAs)	↑	420,736	↑	254,540	143,918	22,278
144 Total time deposits of less than \$100,000	↑	739,254	↑	341,423	312,002	85,828
145 Total time deposits of \$100,000 or more	↑	472,003	↑	276,794	159,244	35,966
146 All negotiable order of withdrawal (NOW) accounts	↓	152,448	↓	44,126	76,386	31,936
147 Number of banks	8,557	8,557	160	n.a.	2,943	5,454

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively of the domestic and foreign offices.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year,

were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance-sheet derivative contracts.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 7-11, 2000

A. Commercial and industrial loans made by all commercial banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	7.44	117,861	728	375	43.8	10.9	32.5	73.9	Foreign
2 Minimal risk	6.47	16,743	2,723	219	73.3	6.7	82.2	98.8	Foreign
3 Low risk	6.87	21,029	1,435	329	18.1	13.4	34.8	69.2	Fed funds
4 Moderate risk	7.54	38,110	700	509	39.2	10.1	26.7	76.7	Prime
5 Other	8.24	23,376	505	380	41.9	12.0	16.9	69.8	Fed funds
By maturity/repricing interval ⁶									
6 Zero interval	8.64	19,753	353	459	54.7	14.6	3.5	71.1	Prime
7 Minimal risk	7.99	559	447	562	44.0	31.3	22.8	97.5	Prime
8 Low risk	8.33	2,130	519	535	32.8	16.0	11.3	93.7	Prime
9 Moderate risk	8.49	7,672	339	441	62.3	13.3	1.6	97.5	Prime
10 Other	9.32	3,972	187	597	76.8	30.7	1.7	87.8	Prime
11 Daily	6.84	54,728	1,321	170	42.9	9.4	41.6	69.6	Fed funds
12 Minimal risk	6.17	12,205	16,152	74	84.9	3.5	94.6	99.5	Foreign
13 Low risk	6.60	11,904	5,873	209	12.7	13.8	39.3	55.6	Fed funds
14 Moderate risk	6.98	14,630	1,147	261	25.9	11.1	28.5	65.4	Fed funds
15 Other	7.60	6,867	771	98	29.5	7.7	3.9	42.0	Fed funds
16 2 to 30 days	7.42	25,414	1,315	456	31.1	5.2	41.2	84.2	Foreign
17 Minimal risk	6.88	2,638	2,096	502	41.6	.6	59.5	99.7	Foreign
18 Low risk	6.69	4,362	2,334	333	14.5	6.8	42.6	90.8	Foreign
19 Moderate risk	7.31	9,882	1,497	587	29.0	5.3	46.1	84.7	Foreign
20 Other	8.28	7,001	900	400	34.7	3.9	24.7	77.4	Foreign
21 31 to 365 days	7.67	12,407	500	557	37.9	9.8	30.1	80.2	Foreign
22 Minimal risk	7.70	933	461	898	53.0	16.5	54.4	92.0	Foreign
23 Low risk	7.07	2,225	596	492	31.8	21.1	23.4	77.9	Foreign
24 Moderate risk	7.59	3,654	587	795	40.4	11.0	34.9	79.2	Foreign
25 Other	8.05	4,532	1,071	388	29.4	3.5	30.5	79.8	Foreign
				Months					
26 More than 365 days	8.81	4,013	238	53	82.8	26.6	15.5	53.1	Other
27 Minimal risk	7.80	374	466	36	11.4	83.8	1.3	87.8	Domestic
28 Low risk	7.93	388	139	61	60.8	16.4	7.1	60.0	Other
29 Moderate risk	9.16	1,828	415	54	94.4	2.3	2.3	27.2	Prime
30 Other	9.03	741	259	59	94.4	70.5	73.3	86.8	Other
				Weighted-average risk rating ⁷					
				Weighted-average maturity/repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	9.64	2,782	3.3	159	85.3	29.8	3.8	78.3	Prime
32 100-999	8.88	11,169	3.2	146	73.6	19.5	11.3	86.1	Prime
33 1,000-9,999	7.83	35,661	3.0	80	44.5	13.2	26.9	81.0	Foreign
34 10,000 or more	6.90	68,249	2.5	45	36.8	7.5	40.0	68.0	Fed funds
Average size (thousands of dollars)									
BASE RATE OF LOAN ⁴									
35 Prime ⁷	9.27	23,612	3.2	123	73.7	22.4	2.8	77.5	220
36 Fed funds	6.64	31,663	2.8	9	29.5	8.9	17.9	46.0	8,776
37 Other domestic	6.73	13,666	2.4	37	9.7	20.3	70.6	71.9	4,068
38 Foreign	7.13	35,416	2.4	35	50.5	2.5	57.4	94.5	3,318
39 Other	7.61	13,503	3.1	231	41.8	8.1	14.2	80.8	366

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 7-11, 2000

B. Commercial and industrial loans made by all domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴	
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment		
LOAN RISK ⁵										
1 All commercial and industrial loans	7.84	69,934	456	599	45.0	15.9	26.4	78.6	Prime	
2 Minimal risk	6.62	5,604	1,184	371	34.9	17.5	56.5	96.6	Fed funds	
3 Low risk	7.00	12,370	905	548	23.6	22.1	37.9	80.6	Domestic	
4 Moderate risk	7.81	28,322	543	686	45.7	12.6	28.6	82.8	Prime	
5 Other	8.84	12,530	288	668	64.9	19.1	18.7	84.2	Prime	
By maturity/repricing interval ⁶										
6 Zero interval	8.64	19,249	348	446	54.2	15.0	3.5	71.0	Prime	
7 Minimal risk	7.99	559	447	562	44.0	31.3	22.8	97.5	Prime	
8 Low risk	8.33	2,127	520	536	32.7	15.9	11.4	93.9	Prime	
9 Moderate risk	8.48	7,581	339	439	62.5	13.5	1.3	97.5	Prime	
10 Other	9.39	3,562	170	525	76.7	34.2	1.9	89.8	Prime	
11 Daily	7.21	24,178	616	396	36.5	19.4	40.8	78.5	Domestic	
12 Minimal risk	6.32	3,281	5,469	272	45.8	12.9	82.2	98.2	Fed funds	
13 Low risk	6.54	5,545	3,278	427	15.3	27.9	55.5	73.8	Domestic	
14 Moderate risk	7.25	8,819	723	452	32.2	17.3	44.7	73.2	Domestic	
15 Other	8.01	3,046	364	205	47.4	9.8	4.7	59.2	Fed funds	
16 2 to 30 days	7.65	14,793	907	695	34.3	7.8	38.3	94.3	Foreign	
17 Minimal risk	6.26	937	1,473	251	3.9	1.7	18.4	99.1	Fed funds	
18 Low risk	6.79	2,594	1,742	550	20.0	11.5	38.3	92.5	Foreign	
19 Moderate risk	7.46	7,047	1,224	812	30.6	5.6	45.1	94.0	Foreign	
20 Other	9.06	3,474	511	771	59.2	6.5	38.1	95.9	Foreign	
21 31 to 365 days	7.63	6,910	309	836	46.3	12.6	23.9	80.0	Foreign	
22 Minimal risk	6.74	419	302	552	22.2	4.0	38.9	84.7	Other	
23 Low risk	6.92	1,697	489	607	35.7	27.5	20.5	72.6	Foreign	
24 Moderate risk	7.71	2,603	458	1,067	45.1	12.5	32.0	79.8	Foreign	
25 Other	8.59	1,446	432	970	65.4	1.9	21.0	91.4	Foreign	
				Months					Other Domestic Other Prime Other	
26 More than 365 days	8.82	4,011	238	53	82.9	26.6	15.5	53.1		
27 Minimal risk	7.80	374	466	36	11.4	83.8	1.3	87.8		
28 Low risk	7.93	388	139	61	60.8	16.4	7.1	60.0		
29 Moderate risk	9.16	1,828	415	54	94.4	2.3	2.3	27.2		
30 Other	9.04	739	259	59	94.7	70.7	73.2	86.7		
				Weighted-average risk rating ⁷	Weighted-average maturity/repricing interval ⁶					
				Days					Average size (thousands of dollars)	
SIZE OF LOAN (thousands of dollars)										
31 1-99	9.65	2,742	3.3	161	85.9	29.8	3.6	78.2		
32 100-999	8.99	9,776	3.2	162	77.1	20.2	7.4	85.4		
33 1,000-9,999	8.09	24,261	3.1	106	49.6	15.8	22.9	83.1		
34 10,000 or more	7.18	33,155	2.6	83	28.8	13.5	36.4	73.4		
BASE RATE OF LOAN ⁴										
35 Prime ⁷	9.23	21,726	3.2	131	75.5	19.7	2.8	75.6	206	
36 Fed funds	6.51	10,131	2.4	13	41.2	22.9	27.2	55.1	6,380	
37 Other domestic	6.67	11,376	2.4	44	8.0	23.9	65.4	86.3	3,803	
38 Foreign	7.78	14,440	3.0	56	36.4	4.8	39.4	87.7	2,084	
39 Other	7.65	12,262	3.0	252	38.6	8.9	15.6	85.6	335	

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 7-11, 2000

C. Commercial and industrial loans made by large domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	7.68	60,966	853	564	40.0	13.0	28.3	78.0	Prime Fed funds Domestic Prime Prime
2 Minimal risk	6.54	5,206	4,844	346	33.4	18.1	59.7	98.9	
3 Low risk	6.81	11,136	3,018	498	17.7	20.2	41.6	81.2	
4 Moderate risk	7.69	25,109	1,020	672	42.0	10.6	30.5	82.8	
5 Other	8.67	9,957	414	594	57.5	10.6	16.7	82.3	
By maturity/repricing interval ⁶									
6 Zero interval	8.48	16,094	673	424	49.0	8.1	3.8	67.6	Prime Prime Prime Prime Prime
7 Minimal risk	7.94	500	1,759	574	41.6	31.8	25.1	100.0	
8 Low risk	8.18	1,607	1,583	400	19.4	5.7	13.3	98.3	
9 Moderate risk	8.35	6,437	615	412	59.8	7.7	1.1	99.1	
10 Other	9.09	2,409	239	561	69.3	21.2	2.3	88.4	
11 Daily	7.12	23,127	743	375	34.3	19.3	42.5	77.9	Domestic Fed funds Domestic Domestic Fed funds
12 Minimal risk	6.28	3,241	10,561	272	45.2	12.8	83.2	98.3	
13 Low risk	6.49	5,445	4,007	416	14.4	28.4	56.5	73.4	
14 Moderate risk	7.14	8,319	949	409	28.9	16.9	47.0	72.4	
15 Other	7.90	2,878	464	190	44.7	8.9	4.7	57.2	
16 2 to 30 days	7.62	13,398	1,442	736	32.0	5.0	39.3	94.0	Foreign Fed funds Foreign Foreign Foreign
17 Minimal risk	6.23	910	7,691	248	1.2	1.3	18.2	99.9	
18 Low risk	6.68	2,425	3,316	577	15.5	6.6	40.9	92.1	
19 Moderate risk	7.45	6,361	2,154	861	29.7	4.0	44.9	93.5	
20 Other	9.09	3,256	662	789	57.4	5.6	38.4	96.3	
21 31 to 365 days	7.49	5,743	1,685	901	42.6	13.2	25.0	81.7	Foreign Foreign Foreign Foreign Foreign
22 Minimal risk	6.66	201	1,003	401	12.8	6.1	57.6	99.8	
23 Low risk	6.71	1,490	3,883	642	31.5	27.2	21.6	72.2	
24 Moderate risk	7.55	2,322	2,454	1,163	40.9	13.2	33.3	82.4	
25 Other	8.56	1,225	845	934	61.5	1.7	18.3	92.6	
				Months					
26 More than 365 days	8.62	2,266	1,332	46	72.7	16.4	4.6	47.8	Prime Domestic Other Prime Other
27 Minimal risk	7.66	326	2,335	34	3	96.3	1.5	99.8	
28 Low risk	6.79	156	1,552	46	10.5	22.1	16.7	92.9	
29 Moderate risk	9.14	1,472	2,631	50	93.4	4	2.4	23.5	
30 Other	8.61	119	210	47	71.8	14.3	31.4	68.2	
				Weighted-average risk rating ⁵					
				Weighted-average maturity/repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	9.51	1,253	3.5	40	87.4	36.2	6.1	86.0	Prime Prime Prime Domestic
32 100-999	8.90	6,520	3.4	40	73.3	18.8	8.2	88.7	
33 1,000-9,999	8.01	20,616	3.0	47	45.4	9.3	22.9	82.2	
34 10,000 or more	7.16	32,576	2.6	81	28.2	13.2	36.4	73.0	
									Average size (thousands of dollars)
BASE RATE OF LOAN ⁴									
35 Prime ⁷	9.13	17,049	3.1	126	72.8	13.5	3.3	73.7	301 9,393 9,205 2,499 1,324
36 Fed funds	6.44	9,615	2.4	4	38.8	20.1	28.2	52.7	
37 Other domestic	6.66	11,293	2.4	40	7.4	24.0	65.8	86.9	
38 Foreign	7.80	13,291	3.0	47	36.0	4.5	38.4	86.9	
39 Other	7.41	9,717	3.0	69	27.2	3.6	13.9	88.3	

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 7-11, 2000

D. Commercial and industrial loans made by small domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral ¹	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	8.93	8,969	109	878	78.8	35.7	13.8	82.7	Prime
2 Minimal risk	7.60	399	109	707	54.4	9.8	15.0	66.3	Other
3 Low risk	8.72	1,235	124	1,082	76.8	39.0	4.5	75.5	Prime
4 Moderate risk	8.72	3,213	117	824	74.1	27.9	13.7	83.2	Prime
5 Other	9.49	2,573	133	1,055	93.3	52.2	26.0	91.7	Prime
By maturity/repricing interval ⁶									
6 Zero interval	9.45	3,156	101	616	80.8	50.0	2.1	88.3	Prime
7 Minimal risk	8.37	60	62	446	63.9	26.9	3.7	76.5	Prime
8 Low risk	8.80	520	169	1,206	73.8	47.7	5.2	80.2	Prime
9 Moderate risk	9.17	1,144	96	632	77.4	45.8	2.3	88.7	Prime
10 Other	10.02	1,154	107	388	92.0	61.5	1.0	92.7	Prime
11 Daily	9.26	1,051	130	836	84.7	20.8	3.0	91.0	Prime
12 Minimal risk	9.45	40	137	273	96.2	22.0	*	88.8	Prime
13 Low risk	9.29	100	301	961	62.5	1.8	*	97.3	Prime
14 Moderate risk	9.10	500	146	1,166	88.2	24.4	5.0	86.8	Prime
15 Other	9.77	168	78	454	92.6	25.6	3.5	92.7	Prime
16 2 to 30 days	7.92	1,395	199	256	55.9	35.0	28.9	96.9	Foreign
17 Minimal risk	7.50	27	52	359	94.6	15.2	25.3	72.2	Other
18 Low risk	8.43	169	223	84	84.4	81.7	.1	98.0	Fed funds
19 Moderate risk	7.53	686	245	284	38.3	20.1	47.0	99.1	Foreign
20 Other	8.62	218	116	498	85.8	19.8	32.9	89.8	Foreign
21 31 to 365 days	8.35	1,166	61	521	64.3	9.6	18.7	71.6	Other
22 Minimal risk	6.81	218	184	682	31.0	2.0	23.4	70.8	Other
23 Low risk	8.50	207	67	317	65.7	29.6	12.7	76.0	Prime
24 Moderate risk	9.00	280	59	348	80.2	6.5	21.4	58.1	Other
25 Other	8.76	221	117	1,172	87.1	2.8	34.8	84.5	Foreign
				Months					Average size (thousands of dollars)
26 More than 365 days	9.06	1,745	115	61	96.2	39.8	29.6	60.0	
27 Minimal risk	8.74	49	73	53	85.9	.3	*	8.0	
28 Low risk	8.70	232	86	71	94.6	12.7	.7	38.0	
29 Moderate risk	9.24	355	92	69	98.3	9.8	2.1	42.5	
30 Other	9.12	620	271	62	99.1	81.6	81.1	90.3	Other
				Weighted-average risk rating ⁷					
				Weighted-average maturity/repricing interval ⁶					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	9.77	1,489	3.1	260	84.6	24.4	1.5	71.7	Prime
32 100-999	9.15	3,256	3.0	412	84.7	23.1	5.6	78.6	Prime
33 1,000-9,999	8.54	3,645	3.3	465	73.3	52.9	22.4	88.0	Prime
34 10,000 or more	7.88	579	2.9	171	65.7	27.4	36.8	100.0	Foreign
BASE RATE OF LOAN ⁴									
35 Prime ⁷	9.58	4,677	3.3	149	85.2	42.1	.8	82.7	96
36 Fed funds	7.88	516	2.8	182	85.2	75.0	9.2	99.1	914
37 Other domestic	9.24	83	2.3	560	93.1	11.4	1.5	16.9	47
38 Foreign	7.48	1,148	3.2	151	41.9	8.2	51.8	96.5	713
39 Other	8.57	2,544	3.0	1,037	82.1	29.2	21.9	75.2	87

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 7-11, 2000

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	6.84	47,926	5,620	68	42.0	3.7	41.3	66.9	Fed funds
2 Minimal risk	6.39	11,139	7,864	143	92.6	1.2	95.1	99.9	Foreign
3 Low risk	6.69	8,659	8,737	42	10.2	1.1	30.4	53.0	Fed funds
4 Moderate risk	6.78	9,788	4,414	31	20.4	3.1	21.2	58.8	Fed funds
5 Other	7.55	10,846	3,897	84	15.3	3.8	15.0	53.1	Fed funds
By maturity/repricing interval ⁶									
6 Zero interval	8.89	504	770	1,051	72.2	.8	4.6	74.9	Prime
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	*	*	*	*	*	*	*	*	*
9 Moderate risk	9.75	91	343	626	45.0	1.4	25.4	98.6	Prime
10 Other	8.70	410	1,082	1,180	78.1	*	.1	70.1	Prime
11 Daily	6.56	30,550	13,887	11	48.0	1.5	42.3	62.5	Fed funds
12 Minimal risk	6.11	8,923	57,328	1	99.2	*	99.2	100.0	Foreign
13 Low risk	6.66	6,359	18,953	40	10.5	1.4	25.1	39.7	Fed funds
14 Moderate risk	6.57	5,811	10,338	1	16.2	1.6	4.1	53.6	Fed funds
15 Other	7.27	3,821	7,081	15	15.2	6.1	3.2	28.3	Fed funds
16 2 to 30 days	7.10	10,621	3,511	135	26.6	1.7	45.1	70.0	Foreign
17 Minimal risk	7.22	1,701	2,732	640	62.3	*	82.2	100.0	Foreign
18 Low risk	6.53	1,768	4,647	27	6.5	*	48.9	88.3	Foreign
19 Moderate risk	6.92	2,835	3,346	42	24.9	4.7	48.4	61.3	Foreign
20 Other	7.50	3,527	3,628	46	10.7	1.3	12.2	59.3	Foreign
21 31 to 365 days	7.71	5,497	2,261	195	27.5	6.3	37.7	80.4	Foreign
22 Minimal risk	8.48	514	805	1,272	78.0	26.7	66.4	98.0	Foreign
23 Low risk	7.52	528	1,997	119	19.5	.4	32.5	94.9	Foreign
24 Moderate risk	7.30	1,051	1,935	127	28.7	7.2	41.9	77.6	Foreign
25 Other	7.80	3,086	3,478	105	12.5	4.3	34.7	74.4	Foreign
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
29 Moderate risk	*	*	*	*	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
				Weighted-average risk rating ⁷	Weighted-average maturity/repricing interval ⁶				
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	8.86	40	2.9	39	45.4	28.6	21.4	87.6	Prime
32 100-999	8.15	1,393	3.0	37	49.1	14.4	38.4	90.9	Foreign
33 1,000-9,999	7.28	11,400	2.9	26	33.7	7.5	35.5	76.7	Foreign
34 10,000 or more	6.64	35,093	2.4	9	44.4	2.0	43.4	62.8	Fed funds
									Average size (thousands of dollars)
BASE RATE OF LOAN ⁴									
35 Prime ⁷	9.74	1,886	3.3	25	52.9	53.6	3.4	99.0	891
36 Fed funds	6.70	21,532	3.1	6	24.0	2.4	13.5	41.7	10,659
37 Other domestic	6.99	2,290	2.8	4	18.3	2.6	96.6	*	6,216
38 Foreign	6.68	20,977	2.0	21	60.2	.8	69.7	99.2	5,605
39 Other	7.30	1,241	3.9	33	73.1	.0	.2	33.6	4,431

Footnotes appear at end of table.

NOTES TO TABLE 4.23

NOTE. The Survey of Terms of Business Lending collects data on gross loan extensions made during the first full business week in the mid-month of each quarter. The authorized panel size for the survey is 348 domestically chartered commercial banks and fifty U.S. branches and agencies of foreign banks. The sample data are used to estimate the terms of loans extended during that week at all domestic commercial banks and all U.S. branches and agencies of foreign banks. Note that the terms on loans extended during the survey week may differ from those extended during other weeks of the quarter. The estimates reported here are not intended to measure the average terms on all business loans in bank portfolios.

1. As of December 31, 1996, assets of most of the large banks were at least \$7.0 billion. Median total assets for all insured banks were roughly \$62 million. Assets at all U.S. branches and agencies averaged 1.3 billion.

2. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all commercial and industrial loans in the current survey (line 1, column 1) is 0.16 percentage point. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of the universe of all banks.

3. Average maturities are weighted by loan amount and exclude loans with no stated maturities.

4. The most common base pricing rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "base" or "reference" rate); the federal funds rate; domestic money market rates other than the prime rate and the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

5. A complete description of these risk categories is available from the Banking Analysis Section, Mail Stop 81, Board of Governors of the Federal Reserve System, Washington, DC 20551. The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The category "Other" includes loans rated "acceptable" as well as special mention or classified loans. The weighted-average risk ratings published for loans in rows 31-39 are calculated by assigning a value of "1" to minimal risk loans; "2" to low risk loans; "3" to moderate risk loans; "4" to acceptable risk loans; and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in lines 1, 6, 11, 16, 21, 26, and 31-39 are not rated for risk.

6. The maturity/repricing interval measures the period from the date the loan is made until it first may reprice or it matures. For floating-rate loans that are subject to repricing at any time—such as many prime-based loans—the maturity/repricing interval is zero. For floating-rate loans that have a scheduled repricing interval, the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily mature or reprice on the business day after they are made. Owing to weekends and holidays, such loans may have maturity/repricing intervals in excess of one day; such loans are not included in the "2 to 30 day" category.

7. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 8.26 percent for all banks; 8.25 percent for large domestic banks, 8.35 percent for small domestic banks; and 8.19 percent for U.S. branches and agencies of foreign banks.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1999¹

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 Total assets⁴	903,486	154,617	723,502	128,120	29,254	6,841	55,115	5,412
2 Claims on nonrelated parties	734,730	78,459	582,994	69,038	27,803	2,430	53,125	1,017
3 Cash and balances due from depository institutions	97,525	36,588	94,309	35,701	870	233	1,257	443
4 Cash items in process of collection and unposted debits	2,591	0	2,537	0	7	0	17	0
5 Currency and coin (U.S. and foreign)	33	n.a.	24	n.a.	1	n.a.	1	n.a.
6 Balances with depository institutions in United States	68,233	15,002	65,924	14,713	721	140	767	30
7 U.S. branches and agencies of other foreign banks (including IBFs)	55,052	13,582	53,338	13,323	399	140	731	30
8 Other depository institutions in United States (including IBFs)	13,181	1,420	12,586	1,390	323	0	36	0
9 Balances with banks in foreign countries and with foreign central banks	25,492	21,586	24,797	20,988	104	93	425	413
10 Foreign branches of U.S. banks	1,326	1,223	1,298	1,198	0	0	0	0
11 Banks in home country and home-country central banks	6,113	5,210	6,090	5,192	18	18	0	0
12 All other banks in foreign countries and foreign central banks	18,053	15,153	17,409	14,598	86	75	424	413
13 Balances with Federal Reserve Banks	1,176	n.a.	1,027	n.a.	37	n.a.	48	n.a.
14 Total securities and loans	444,190	37,471	343,318	29,164	26,037	2,136	35,324	534
15 Total securities, book value	120,308	4,712	109,209	4,115	1,314	486	8,599	79
16 U.S. Treasury	24,854	n.a.	21,163	n.a.	66	n.a.	3,613	n.a.
17 Obligations of U.S. government agencies and corporations	48,851	n.a.	46,278	n.a.	228	n.a.	1,940	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	46,603	4,712	41,768	4,115	1,020	486	3,047	79
19 Securities of foreign governmental units	11,079	2,634	10,725	2,466	277	128	29	29
20 All Other	35,523	2,078	31,043	1,649	742	357	3,018	50
21 Federal funds sold and securities purchased under agreements to resell	63,811	2,328	55,919	2,303	274	2	7,092	0
22 U.S. branches and agencies of other foreign banks	7,134	1,494	6,904	1,474	112	2	0	0
23 Commercial banks in United States	11,719	269	11,157	264	162	0	1	0
24 Other	44,958	565	37,858	565	0	0	7,091	0
25 Total loans, gross	324,184	32,785	234,317	25,073	24,762	1,652	26,745	455
26 LESS: Unearned income on loans	301	26	208	23	39	1	20	0
27 EQUALS: Loans, net	323,882	32,759	234,109	25,049	24,723	1,651	26,725	455
<i>Total loans, gross, by category</i>								
28 Real estate loans	16,433	95	11,009	93	3,194	0	446	0
29 Loans to depository institutions	24,694	15,223	16,399	9,814	1,915	1,338	1,172	397
30 Commercial banks in United States (including IBFs)	6,589	2,939	4,998	2,275	1,096	555	65	25
31 U.S. branches and agencies of other foreign banks	5,214	2,700	3,760	2,073	1,060	532	55	15
32 Other commercial banks in United States	1,375	239	1,238	202	36	23	11	10
33 Other depository institutions in United States (including IBFs)	15	0	0	0	0	0	0	0
34 Banks in foreign countries	18,090	12,284	11,400	7,539	820	783	1,107	372
35 Foreign branches of U.S. banks	991	373	960	346	3	0	0	0
36 Other banks in foreign countries	17,099	11,911	10,440	7,194	817	783	1,107	372
37 Loans to other financial institutions	53,375	1,208	41,545	898	1,179	50	3,950	5
38 Commercial and industrial loans	205,030	13,746	144,190	11,921	18,187	240	19,490	49
39 U.S. addressees (domicile)	166,312	223	115,762	223	16,645	0	17,546	0
40 Non-U.S. addressees (domicile)	38,718	13,523	28,427	11,698	1,542	240	1,944	49
41 Acceptances of other banks	641	5	102	5	14	0	522	0
42 U.S. banks	11	0	7	0	3	0	0	0
43 Foreign banks	630	5	95	5	11	0	522	0
44 Loans to foreign governments and official institutions (including foreign central banks)	3,711	2,389	3,091	2,238	154	24	107	4
45 Loans for purchasing or carrying securities (secured and unsecured)	12,865	20	12,095	20	35	0	1	0
46 All other loans	6,656	99	5,664	85	84	0	503	0
47 Lease financing receivables (net of unearned income)	778	0	223	0	0	0	555	0
48 U.S. addressees (domicile)	778	0	223	0	0	0	555	0
49 Non-U.S. addressees (domicile)	0	0	0	0	0	0	0	0
50 Trading assets	90,442	790	57,042	787	71	2	5,755	0
51 All other assets	38,762	1,282	32,406	1,082	551	56	3,696	40
52 Customers' liabilities on acceptances outstanding	1,467	n.a.	1,026	n.a.	181	n.a.	216	n.a.
53 U.S. addressees (domicile)	838	n.a.	644	n.a.	179	n.a.	10	n.a.
54 Non-U.S. addressees (domicile)	630	n.a.	382	n.a.	1	n.a.	206	n.a.
55 Other assets including other claims on nonrelated parties	37,295	1,282	31,380	1,082	370	56	3,480	40
56 Net due from related depository institutions ⁵	168,756	76,158	140,509	59,082	1,450	4,412	1,991	4,395
57 Net due from head office and other related depository institutions ⁵	168,756	n.a.	140,509	n.a.	1,450	n.a.	1,991	n.a.
58 Net due from establishing entity, head office, and other related depository institutions ⁵	n.a.	76,158	n.a.	59,082	n.a.	4,412	n.a.	4,395
59 Total liabilities⁴	903,486	154,617	723,502	128,120	29,254	6,841	55,115	5,412
60 Liabilities to nonrelated parties	753,176	134,190	617,267	109,749	13,214	6,713	45,272	5,297

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1999¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
61 Total deposits and credit balances	380,028	96,135	307,380	81,081	5,057	1,430	19,469	3,459
62 Individuals, partnerships, and corporations	278,633	11,505	216,094	6,214	2,626	229	17,022	15
63 U.S. addressees (domicile)	261,289	0	204,547	0	1,049	0	16,880	0
64 Non-U.S. addressees (domicile)	17,345	11,505	11,547	6,214	1,577	229	141	15
65 Commercial banks in United States (including IBFs)	52,163	13,419	46,877	12,673	550	117	969	471
66 U.S. branches and agencies of other foreign banks	23,480	10,724	21,377	10,197	0	92	410	301
67 Other commercial banks in United States	28,683	2,694	25,500	2,476	550	25	559	170
68 Banks in foreign countries	11,973	50,452	11,516	45,833	21	232	151	1,533
69 Foreign branches of U.S. banks	1,266	4,433	1,265	4,158	0	0	0	255
70 Other banks in foreign countries	10,707	46,019	10,251	41,674	21	232	151	1,278
71 Foreign governments and official institutions (including foreign central banks)	18,213	20,651	16,153	16,271	8	837	1,320	1,437
72 All other deposits and credit balances	18,860	108	16,575	91	1,848	15	6	2
73 Certified and official checks	185		164		4		1	
74 Transaction accounts and credit balances (excluding IBFs)	9,107		7,247		336		273	
75 Individuals, partnerships, and corporations	7,261		5,695		306		268	
76 U.S. addressees (domicile)	5,255		4,585		198		244	
77 Non-U.S. addressees (domicile)	2,005		1,110		108		24	
78 Commercial banks in United States (including IBFs)	53		43		0		0	
79 U.S. branches and agencies of other foreign banks	16		15		0		0	
80 Other commercial banks in United States	36		28		0		0	
81 Banks in foreign countries	1,044		851		21		1	
82 Foreign branches of U.S. banks	2		1		0		0	
83 Other banks in foreign countries	1,042		850		21		1	
84 Foreign governments and official institutions (including foreign central banks)	491		428		2		2	
85 All other deposits and credit balances	74		65		2		1	
86 Certified and official checks	185		164		4		1	
87 Demand deposits (included in transaction accounts and credit balances)	8,369		6,750		270		270	
88 Individuals, partnerships, and corporations	6,594		5,266		242		265	
89 U.S. addressees (domicile)	4,873		4,245		179		241	
90 Non-U.S. addressees (domicile)	1,721		1,021		64		24	
91 Commercial banks in United States (including IBFs)	49	n.a.	40	n.a.	0	n.a.	0	n.a.
92 U.S. branches and agencies of other foreign banks	16		15		0		0	
93 Other commercial banks in United States	33		25		0		1	
94 Banks in foreign countries	1,015		823		21		1	
95 Foreign branches of U.S. banks	2		1		0		0	
96 Other banks in foreign countries	1,013		822		21		1	
97 Foreign governments and official institutions (including foreign central banks)	485		423		2		2	
98 All other deposits and credit balances	41		34		1		1	
99 Certified and official checks	185		164		4		1	
100 Nontransaction accounts (including MMDAs, excluding IBFs)	370,920		300,132		4,721		19,196	
101 Individuals, partnerships, and corporations	271,373		210,399		2,319		16,753	
102 U.S. addressees (domicile)	256,033		199,962		851		16,636	
103 Non-U.S. addressees (domicile)	15,339		10,437		1,468		117	
104 Commercial banks in United States (including IBFs)	52,110		46,834		550		969	
105 U.S. branches and agencies of other foreign banks	23,463		21,362		0		410	
106 Other commercial banks in United States	28,647		25,472		550		559	
107 Banks in foreign countries	10,929		10,665		0		150	
108 Foreign branches of U.S. banks	1,264		1,264		0		0	
109 Other banks in foreign countries	9,665		9,401		0		150	
110 Foreign governments and official institutions (including foreign central banks)	17,723		15,724		7		1,318	
111 All other deposits and credit balances	18,786		16,509		1,846		5	
112 IBF deposit liabilities		96,135		81,081		1,430		3,459
113 Individuals, partnerships, and corporations		11,505		6,214		229		15
114 U.S. addressees (domicile)		0		0		0		0
115 Non-U.S. addressees (domicile)		11,505		6,214		229		15
116 Commercial banks in United States (including IBFs)		13,419		12,673		117		471
117 U.S. branches and agencies of other foreign banks		10,724		10,197		92		301
118 Other commercial banks in United States	n.a.	2,694	n.a.	2,476	n.a.	25	n.a.	170
119 Banks in foreign countries		50,452		45,833		232		1,533
120 Foreign branches of U.S. banks		4,433		4,158		0		255
121 Other banks in foreign countries		46,019		41,674		232		1,278
122 Foreign governments and official institutions (including foreign central banks)		20,651		16,271		837		1,437
123 All other deposits and credit balances		108		91		15		2

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1999¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
124 Federal funds purchased and securities sold under agreements to repurchase	106,180	9,891	93,553	6,790	373	33	8,243	1,472
125 U.S. branches and agencies of other foreign banks	9,507	3,607	5,783	2,088	98	8	1,514	802
126 Other commercial banks in United States	9,015	702	6,889	524	175	25	1,126	153
127 Other	87,658	5,582	80,882	4,178	101	0	5,604	517
128 Other borrowed money	81,482	26,479	64,414	20,378	5,879	5,174	5,590	330
129 Owed to nonrelated commercial banks in United States (including IBFs)	14,680	5,555	11,922	4,308	1,552	1,134	616	10
130 Owed to U.S. offices of nonrelated U.S. banks	5,647	404	4,990	286	324	115	180	0
131 Owed to U.S. branches and agencies of nonrelated foreign banks	9,033	5,151	6,932	4,023	1,229	1,019	437	10
132 Owed to nonrelated banks in foreign countries	20,805	17,628	16,461	13,335	3,665	3,653	273	270
133 Owed to foreign branches of nonrelated U.S. banks	1,153	1,104	647	618	486	486	0	0
134 Owed to foreign offices of nonrelated foreign banks	19,652	16,524	15,814	12,717	3,179	3,167	273	270
135 Owed to others	45,997	3,296	36,030	2,735	662	387	4,701	50
136 All other liabilities	89,352	1,685	70,839	1,501	475	75	8,509	35
137 Branch or agency liability on acceptances executed and outstanding	1,875		1,220	n.a.	182	n.a.	418	n.a.
138 Trading liabilities	56,662	128	43,199	128	52	0	6,813	0
139 Other liabilities to nonrelated parties	30,815	1,556	26,419	1,373	241	75	1,278	35
140 Net due to related depository institutions ⁵	150,310	20,427	106,236	18,371	16,039	128	9,844	115
141 Net due to head office and other related depository institutions ⁶	150,310	n.a.	106,236	n.a.	16,039	n.a.	9,844	n.a.
142 Net due to establishing entity, head office, and other related depository institutions ⁷	n.a.	20,427	n.a.	18,371	n.a.	128	n.a.	115
MEMO								
143 Non-interest-bearing balances with commercial banks in United States	3,618	0	3,428	0	64	0	22	0
144 Holding of own acceptances included in commercial and industrial loans	1,998	↑	1,591	↑	134	↑	196	↑
145 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	101,397	n.a.	63,377	n.a.	9,381	n.a.	14,228	n.a.
146 Predetermined interest rates	59,511	↓	34,042	↓	4,458	↓	12,441	↓
147 Floating interest rates	41,886		29,334		4,923		1,787	
148 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	101,219		78,808		8,738		5,203	
149 Predetermined interest rates	22,989		19,242		1,218		622	
150 Floating interest rates	78,231		59,566		7,520		4,581	

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1999¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
151 Components of total nontransaction accounts, included in total deposits and credit balances (excluding IBFs)	373,939	n.a.	304,379	n.a.	4,500	n.a.	19,244	n.a.
152 Time deposits of \$100,000 or more	366,347	n.a.	296,990	n.a.	4,480	n.a.	19,073	n.a.
153 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	7,592	n.a.	7,389	n.a.	20	n.a.	172	n.a.
	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
154 Immediately available funds with a maturity greater than one day included in other borrowed money	37,015	n.a.	32,445	n.a.	2,754	n.a.	1,046	n.a.
155 Number of reports filed ⁶	361	0	188	0	73	0	30	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve monthly statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate international banking facilities (IBFs). Since December 31, 1985, data for IBFs have been reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates that no IBF data have been reported for that item.

either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 monthly statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. Related depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

Index to Statistical Tables

References are to pages A3–A75, although the prefix “A” is omitted in this index

- ACCEPTANCES, bankers (*See* Bankers acceptances)
- Assets and liabilities (*See also* Foreigners)
- Commercial banks, 15–21, 64–65
 - Domestic finance companies, 32, 33
 - Federal Reserve Banks, 10
 - Foreign banks, U.S. branches and agencies, 72–75
 - Foreign-related institutions, 20
- Automobiles
- Consumer credit, 36
 - Production, 44, 45
- BANKERS acceptances, 5, 10, 22, 23
- Bankers balances, 15–21, 72–75. (*See also* Foreigners)
 - Bonds (*See also* U.S. government securities)
 - New issues, 31
 - Rates, 23
- Business activity, nonfinancial, 42
- Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 43
- Capital accounts
- Commercial banks, 15–21, 64–65
 - Federal Reserve Banks, 10
- Certificates of deposit, 23
- Commercial and industrial loans
- Commercial banks, 15–21, 64–65, 66–71
 - Weekly reporting banks, 17, 18
- Commercial banks
- Assets and liabilities, 15–21, 64–65
 - Commercial and industrial loans, 15–21, 64–65, 66–71
 - Consumer loans held, by type and terms, 36, 66–71
 - Real estate mortgages held, by holder and property, 35
 - Terms of lending, 64–65
 - Time and savings deposits, 4
- Commercial paper, 22, 23, 32
- Condition statements (*See* Assets and liabilities)
- Construction, 42, 46
- Consumer credit, 36
- Consumer prices, 42
- Consumption expenditures, 48, 49
- Corporations
- Profits and their distribution, 32
 - Security issues, 31, 61
- Cost of living (*See* Consumer prices)
- Credit unions, 36
- Currency in circulation, 5, 13
- Customer credit, stock market, 24
- DEBT (*See* specific types of debt or securities)
- Demand deposits, 15–21
- Depository institutions
- Reserve requirements, 8
 - Reserves and related items, 4–6, 12, 64–65
- Deposits (*See also* specific types)
- Commercial banks, 4, 15–21, 64–65
 - Federal Reserve Banks, 5, 10
- Discount rates at Reserve Banks and at foreign central banks and foreign countries (*See* Interest rates)
- Discounts and advances by Reserve Banks (*See* Loans)
- Dividends, corporate, 32
- EMPLOYMENT, 42
- Euro, 62
- FARM mortgage loans, 35
- Federal agency obligations, 5, 9–11, 28, 29
- Federal credit agencies, 30
- Federal finance
- Debt subject to statutory limitation, and types and ownership of gross debt, 27
 - Receipts and outlays, 25, 26
 - Treasury financing of surplus, or deficit, 25
 - Treasury operating balance, 25
- Federal Financing Bank, 30
- Federal funds, 23, 25
- Federal Home Loan Banks, 30
- Federal Home Loan Mortgage Corporation, 30, 34, 35
- Federal Housing Administration, 30, 34, 35
- Federal Land Banks, 35
- Federal National Mortgage Association, 30, 34, 35
- Federal Reserve Banks
- Condition statement, 10
 - Discount rates (*See* Interest rates)
 - U.S. government securities, 5, 10, 11, 27
- Federal Reserve credit, 5, 6, 10, 12
- Federal Reserve notes, 10
- Federally sponsored credit agencies, 30
- Finance companies
- Assets and liabilities, 32
 - Business credit, 33
 - Loans, 36
 - Paper, 22, 23
- Float, 5
- Flow of funds, 37–41
- Foreign banks, U.S. branches and agencies, 71, 72–75
- Foreign currency operations, 10
- Foreign deposits in U.S. banks, 5
- Foreign exchange rates, 62
- Foreign-related institutions, 20
- Foreign trade, 51
- Foreigners
- Claims on, 52, 55, 56, 57, 59
 - Liabilities to, 51, 52, 53, 58, 60, 61
- GOLD
- Certificate account, 10
 - Stock, 5, 51
- Government National Mortgage Association, 30, 34, 35
- Gross domestic product, 48, 49
- HOUSING, new and existing units, 46
- INCOME, personal and national, 42, 48, 49
- Industrial production, 42, 44
- Insurance companies, 27, 35
- Interest rates
- Bonds, 23
 - Commercial banks, 66–71
 - Consumer credit, 36
 - Federal Reserve Banks, 7
 - Money and capital markets, 23
 - Mortgages, 34
 - Prime rate, 22, 66–71
- International capital transactions of United States, 50–61
- International organizations, 52, 53, 55, 58, 59
- Inventories, 48
- Investment companies, issues and assets, 32
- Investments (*See also* specific types)
- Commercial banks, 4, 15–21, 66–71
 - Federal Reserve Banks, 10, 11
 - Financial institutions, 35
- LABOR force, 42
- Life insurance companies (*See* Insurance companies)

- Loans (*See also* specific types)
 Commercial banks, 15–21, 64–65, 66–71
 Federal Reserve Banks, 5–7, 10, 11
 Financial institutions, 35
 Foreign banks, U.S. branches and agencies, 72
 Insured or guaranteed by United States, 34, 35
- MANUFACTURING
 Capacity utilization, 43
 Production, 43, 45
 Margin requirements, 24
 Member banks, reserve requirements, 8
 Mining production, 45
 Mobile homes shipped, 46
 Monetary and credit aggregates, 4, 12
 Money and capital market rates, 23
 Money stock measures and components, 4, 13
 Mortgages (*See* Real estate loans)
 Mutual funds, 13, 32
 Mutual savings banks (*See* Thrift institutions)
- NATIONAL defense outlays, 26
 National income, 48
- OPEN market transactions, 9
- PERSONAL income, 49
 Prices
 Consumer and producer, 42, 47
 Stock market, 24
 Prime rate, 22, 66–71
 Producer prices, 42, 47
 Production, 42, 44
 Profits, corporate, 32
- REAL estate loans
 Banks, 15–21, 35
 Terms, yields and activity, 34
 Type and holder and property mortgaged, 35
 Reserve requirements, 8
 Reserves
 Commercial banks, 15–21
 Depository institutions, 4–6, 12
 Federal Reserve Banks, 10
 U.S. reserve assets, 51
 Residential mortgage loans, 34, 35
 Retail credit and retail sales, 36, 42
- SAVING
 Flow of funds, 37–41
 National income accounts, 48
- Saving deposits (*See* Time and savings deposits)
 Savings institutions, 35, 36, 37–41
 Securities (*See also* specific types)
 Federal and federally sponsored credit agencies, 30
 Foreign transactions, 60
 New issues, 31
 Prices, 24
 Special drawing rights, 5, 10, 50, 51
 State and local governments
 Holdings of U.S. government securities, 27
 New security issues, 31
 Rates on securities, 23
 Stock market, selected statistics, 24
 Stocks (*See also* Securities)
 New issues, 31
 Prices, 24
 Student Loan Marketing Association, 30
- TAX receipts, federal, 26
 Thrift institutions, 4. (*See also* Credit unions and Savings institutions)
 Time and savings deposits, 4, 13, 15–21, 64–65
 Trade, foreign, 51
 Treasury cash, Treasury currency, 5
 Treasury deposits, 5, 10, 25
 Treasury operating balance, 25
- UNEMPLOYMENT, 42
 U.S. government balances
 Commercial bank holdings, 15–21
 Treasury deposits at Reserve Banks, 5, 10, 25
 U.S. government securities
 Bank holdings, 15–21, 27
 Dealer transactions, positions, and financing, 29
 Federal Reserve Banks holdings, 5, 10, 11, 27
 Foreign and international holdings and transactions, 10, 27, 61
 Open market transactions, 9
 Outstanding, by type and holder, 27, 28
 Rates, 23
 U.S. international transactions, 50–62
 Utilities, production, 45
- VETERANS Administration, 34, 35
- WEEKLY reporting banks, 17, 18
 Wholesale (producer) prices, 42, 47
- YIELDS (*See* Interest rates)

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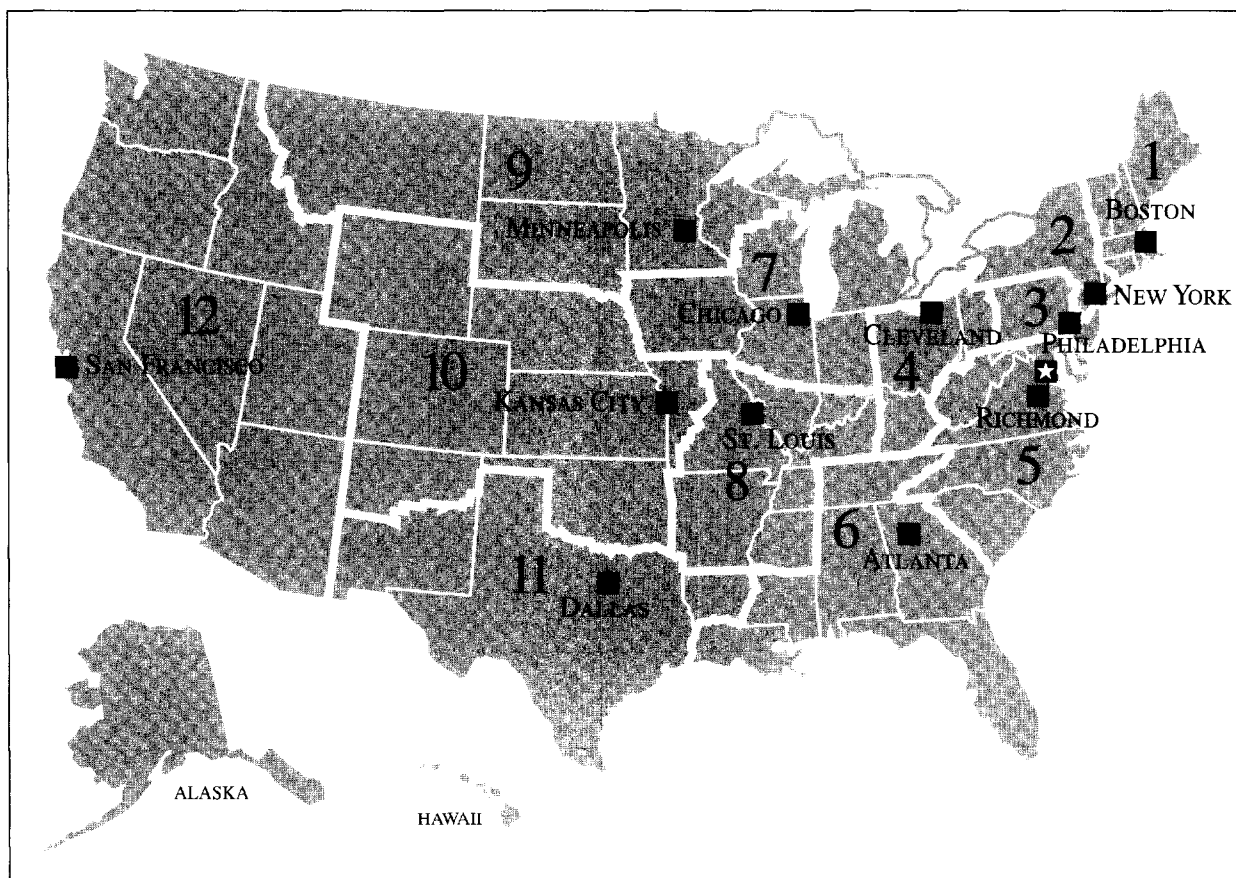
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Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ★ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

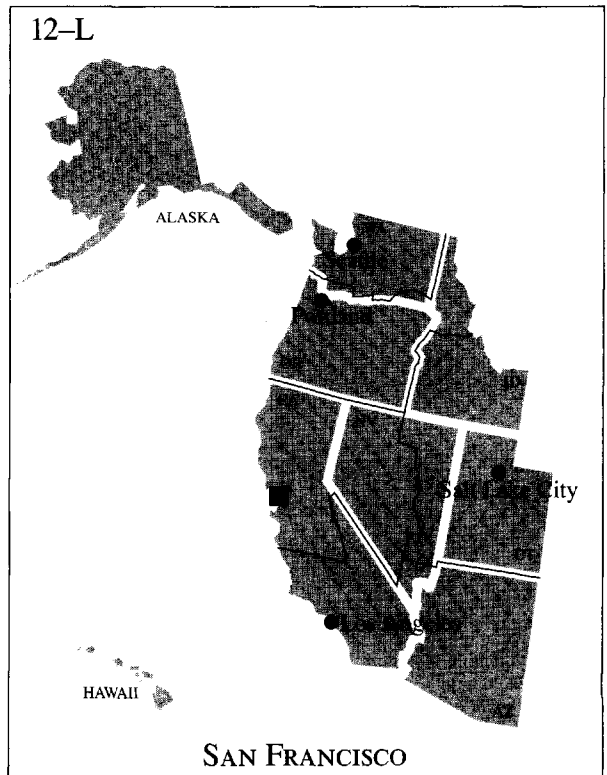
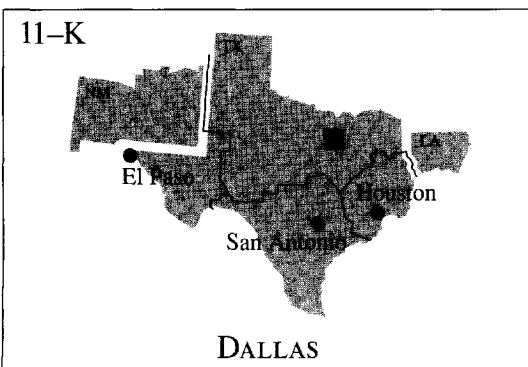
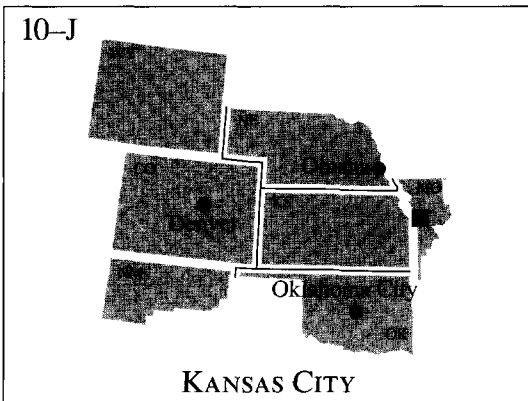
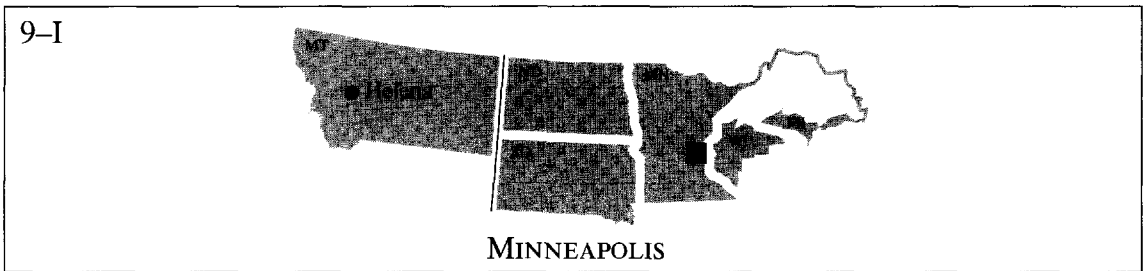
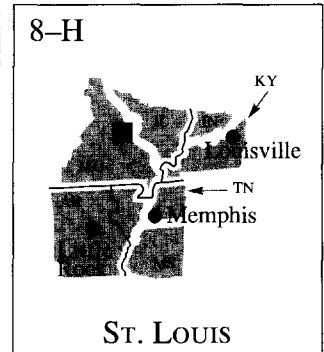
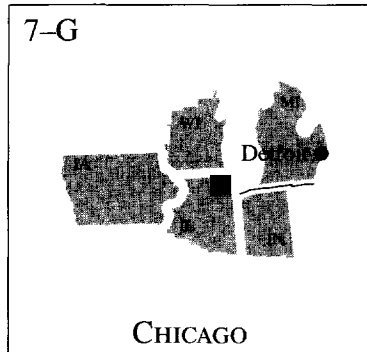
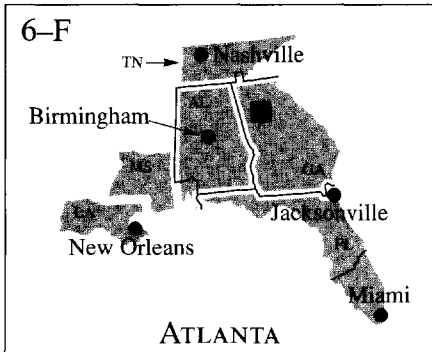
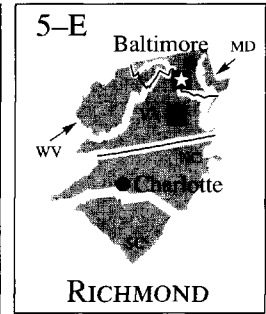
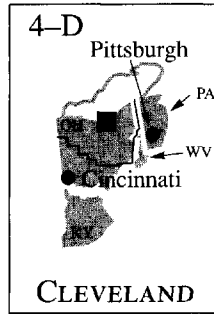
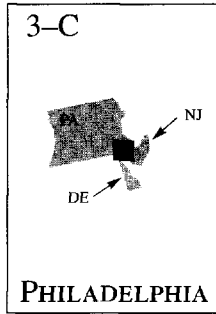
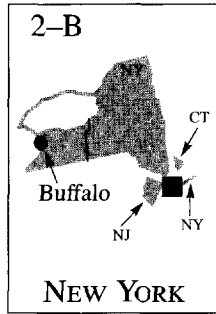
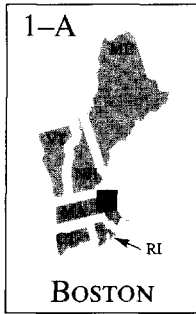
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GUIDE TO THE FLOW OF FUNDS ACCOUNTS

A new edition of *Guide to the Flow of Funds Accounts* is now available from the Board of Governors. The new edition incorporates changes to the accounts since the initial edition was published in 1993. Like the earlier publication, it explains the principles underlying the flow of funds accounts and describes how the accounts are constructed. It lists each flow series in the Board's flow of funds publication, "Flow of Funds Accounts of the United States" (the Z.1 quarterly statistical release),

and describes how the series is derived from source data. The *Guide* also explains the relationship between the flow of funds accounts and the national income and product accounts and discusses the analytical uses of flow of funds data. The publication can be purchased, for \$20.00, from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Federal Reserve Statistical Releases Available on the Commerce Department's Economic Bulletin Board

The Board of Governors of the Federal Reserve System makes some of its statistical releases available to the public through the U.S. Department of Commerce's economic bulletin board. Computer access to the releases can be obtained by subscription.

For further information regarding a subscription to the economic bulletin board, please call (202) 482-1986. The releases transmitted to the economic bulletin board, on a regular basis, are the following:

<i>Reference Number</i>	<i>Statistical release</i>	<i>Frequency of release</i>
H.3	Aggregate Reserves	Weekly/Thursday
H.4.1	Factors Affecting Reserve Balances	Weekly/Thursday
H.6	Money Stock	Weekly/Thursday
H.8	Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions	Weekly/Monday
H.10	Foreign Exchange Rates	Weekly/Monday
H.15	Selected Interest Rates	Weekly/Monday
G.5	Foreign Exchange Rates	Monthly/end of month
G.17	Industrial Production and Capacity Utilization	Monthly/midmonth
G.19	Consumer Installment Credit	Monthly/fifth business day
Z.1	Flow of Funds	Quarterly
